CIVIL SERVICE Journal

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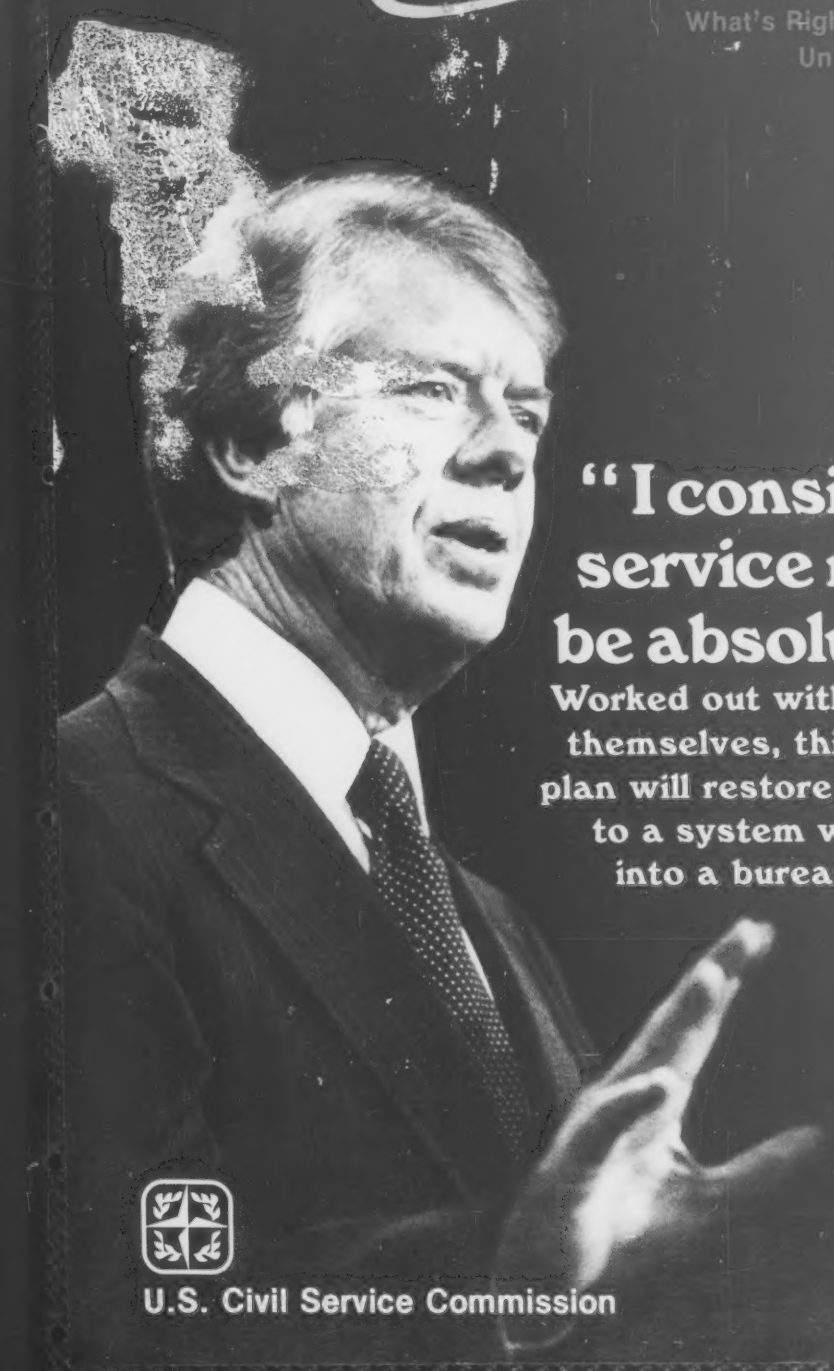
What's Right With Federal Employees
Unlocking Executive Potential
Demotion Insurance



"I consider civil service reform to be absolutely vital.

Worked out with the civil servants themselves, this reorganization plan will restore the merit principle to a system which has grown into a bureaucratic maze."

U.S. Civil Service Commission

The President on Reform and Reorganization

Excerpts from President Carter's address at the National Press Club, March 2, 1978.

Cover excerpts from State of the Union message, January 19, 1978.

Civil service reform will be the centerpiece of Government reorganization during my term in office.

I have seen at first hand the frustration among those who work within the bureaucracy. No one is more concerned at the inability of Government to deliver on its promises than the worker who is trying to do a good job.

Most civil service employees perform with spirit and integrity. Nevertheless, there is still widespread criticism of Federal Government performance. The public suspects that there are too many Government workers, that they are underworked, overpaid, and insulated from the consequences of incompetence.

Such sweeping criticisms are unfair to dedicated Federal workers who are conscientiously trying to do their best, but we have to recognize that the only way to restore public confidence in the vast majority who work well is to deal effectively and firmly with the few who do not.

For the past 7 months, a task force of more than 100 career civil servants has analyzed the civil service, explored its weaknesses and strengths and suggested how it can be improved. Their judgments are reflected in the Message I will send to the Congress today. I want to outline these proposals and explain the reasoning behind them. They represent the most sweeping reform of the civil service system since it was created nearly 100 years ago.

The simple concept of a "merit system" has grown into a tangled web of complicated rules and regulations. Managers are weakened in their ability to reward the best and most talented people—and to fire those few who are unwilling to work.

You cannot run a farm that way, you cannot run a factory that way, and you certainly cannot run a government that way.

We have lost sight of the original purpose—which was to reward merit. More than 99 percent of all Federal employees get a so-called "merit" rating and last year out of about 2 million employees only 226 people lost their jobs for inefficiency.

So my first proposition is this: There is not

(Continued on inside back cover)

CIVIL SERVICE Journal

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DEPARTMENTS

The Awards Story	13
Quotables	24
A Look at Legislation	25
Legal Decisions for the Layman	27
Personnel Policies and Standards	31
Intergovernmental Perspectives	33
Appeals Digest	38

FEATURES

Short Takes	2
Letters to the Editor	4
Feedback CSJ	18
The New and the Novel	40

6

20

28

What's Right With Federal Employees
a pat on the back for public employees
6

The Reform Package
a critique from the outside
14

The Truth About Collecting Race Information
for research, not hiring, purposes
16

An Old Idea, A New Mandate
unlocking executive potential
20

There's an Asper in Your Future
putting personnel in its proper place
28

Demotion "Insurance"
painless solution to overgrading and reorganization problems
36

Short Takes

Reorganization Plan Number One: The Federal equal opportunity program would be transferred from the Civil Service Commission to the Equal Employment Opportunity Commission under Reorganization Plan Number One submitted to Congress February 23 by the President.

Under the Plan, EEOC would assure enforcement authority over Federal agencies under the Civil Rights Act of 1964 as amended, the Fair Labor Standards Act, the Age Discrimination Act, and the Rehabilitation Act of 1973. These laws are intended to prevent discrimination in Federal employment on the basis of race, color, creed, national origin, sex, age, or handicap.

The Plan would also transfer certain equal employment responsibilities to EEOC from other Federal agencies.

Under the Reorganization Act of 1977 either the House or the Senate can veto the President's Plan within 60 legislative days after it is submitted. Unless rejected, those parts of the Plan affecting Federal employees will become effective in January 1979.

Cardiac Arrest, Apoplexy, and High Blood Pressure Month: High blood pressure can be caught before it strikes by contributing to a heart attack or stroke. Yet 40 percent of those with high blood pressure are unaware of it, according to the National Heart, Lung, and Blood Institute. And 40 percent of those who are aware they have high blood pressure do not properly control it. Only about 20 percent successfully control it.

Early detection and treatment were objectives of a recent conference to establish programs to control high blood pressure--it can usually be curbed--in the Federal work force, where an estimated 360,000, about 15 percent, suffer its effects. The Federal program is an adjunct to a nationwide campaign, with May 1978 designated as High Blood Pressure Month.

Easing the Impact on Reorganized Workers: President Carter has outlined principles he wants agencies to follow when undertaking actions that would eliminate or change positions. These principles will lessen the impact of reorganization or program changes on employees, according to a December 14, 1977, joint memorandum from James McIntyre, OMB Director, and Alan K. Campbell, CSC Chairman.

New Uniform Guidelines Proposed for Employee Selection: The Carter Administration has proposed uniform guidelines for employee testing and other selection procedures. They are aimed at protecting the rights of workers to be hired and promoted on the basis of job-related standards and without regard to race, sex, or ethnic background. Public hearings were held April 10.

(Federal Register, December 30, 1977.)

Clean Up Your Language: The use of confusing language has turned consent of the governed into frustration, the keynote speaker told a recent Washington conference on plain English.

"Citizens are upset when they must get professional help to read what the government issues," Wayne Granquist, Associate Director of the Office of Management and Budget, said.

Alan Seigel, a consultant on simplifying one's language, said, "Think out the substance before writing the regulation...what's needed to strengthen a strong general statement, what allows people to use their own sense in following the basic intent of the regulation. Too much detail is self-defeating. Once you start trying to answer every question, you soon get caught in a thicket of fine print."

New Federal EEO Director Appointed: Andrea Diane Graham has become the CSC's new director of Federal Equal Employment Opportunity and one of its top executives responsible for implementing equal employment opportunity throughout the Federal personnel system. She was listed among the Outstanding Young Women of America in 1976.

(CSC news release, January 30, 1978.)

State Quotas for Washington Jobs Repealed: Public Law 95-228 of February 10 eliminated a provision of the original Civil Service Act of 1883 that required that "appointments to the public service...in... Washington be apportioned among the States and Territories and the District of Columbia upon the basis of population."

Key States affected are Maryland and Virginia, in addition to the District of Columbia.

Career Development Urged for EEO Specialists: Chairman Campbell has urged Federal agencies to improve career opportunities for EEO specialists. This would ameliorate the difficulties EEO workers have in advancing to other career fields, a major problem cited by civil rights leaders and Federal officials at meetings on civil service reform.

(CSC news release, February 2, 1978.)

Administrative Complaints Procedure for Handicapped: An administrative complaints procedure for hearing complaints of discrimination based on physical or mental handicap became effective April 10. The entire executive branch including the U.S. Postal Service and the Postal Rate Commission, as well as competitive positions in the legislative and judicial branches and the District of Columbia Government, are subject to these regulations. The procedure extends coverage of part 713 (EEO complaints procedure) of the Commission's regulations to cover discrimination based on handicap.

CSC has prepared a training package to familiarize agency personnel with the new complaints procedure; it was issued with the new regulations.

(For further information contact CSC's Office of Selective Placement, (202) 632-5687.)

--Ed Staples

letters to the **editor**

Dear Editor

We have been aware for some time that the Outstanding Handicapped Federal Employee Award program has met with some mixed reactions. We have received individual comments over the years from disabled as well as nondisabled persons that have expressed similar reactions to those obtained by the Social Security Administration in its study of the program.

In our view, data contained in the SSA study, along with input we have received from other sources, show support for continuance of the program. Nevertheless, we are continually keeping track of public interest and reactions and stand ready to modify and/or eliminate the program at such time that it has indeed outlived its usefulness.

We agree with the authors' concluding alternative, which is to recognize those employees who make outstanding contributions to furthering the affirmative action objectives of the Rehabilitation Act of 1973. However, we believe that a special forum is not needed to achieve this objective. Use should be made, instead, of existing authorities to recognize such contributions.

"Recognition for Superior Accomplishment in Support of National Goals and Objectives," a part of the Federal Incentive Awards program, provides guidance on the use of awards to recognize and encourage employee contributions in areas of special emphasis, including employment programs for handicapped individuals.

Hedwig Oswald
Chief, Office of Selective Placement
U.S. Civil Service Commission

Dear Editor

As one of those laboring in the personnel vineyard, although retired, I very much appreciated Mr. Stevens' "The New and the Novel" in the inside back cover of the January-March 1978 *Journal.*

I have been seeking to collect issuances of the Commission for use in a supervisory training course but there is apparently no central list of available publications (either from CSC or GPO). If I knew the publication title I could get very helpful assistance and would be referred to a CSC bureau or GPO.

From my own experience both in and out of government may I suggest a quarterly list of all CSC publications, whether available from your office, from CSC bureaus, or the GPO. I am familiar with *Personnel Literature* as a source of information but it is not useful as a "purchasing list."

If the suggestion is not feasible may I suggest some one point in the CSC be designated where all the CSC publications that are in print be listed, together with how to get them and the cost.

Walter O. Johnson
Personnel Management Consultant
Washington, D.C.

Dear Editor

In the July/September issue of the *Civil Service Journal*, authors Levinson and Sugar give a good, practical approach to performance evaluation. I will use their article in an upcoming management course, but I thought you might want to share with readers two thoughts on the subject.

First, the "halo effect" is listed among the "Pitfalls and Promises." It seems to me that the halo effect can be a helpful tool if the supervisor knows what he/she is doing. I think the "halo effect" is closely related to the "Pygmalion effect." People generally seem to live up to—or down to—our expectations of them. In fact, we generally tend to live up or down to our expectations of ourselves. To overlook serious problems in performance because the employee does *something* well is probably not productive, but to expect, really expect, good performance and act as if that is what the employee expects seems to work ("it's like you to do an effective job").

The other point refers to "criticism" as an "unpleasant task." The word, itself, means to cut or tear, so it seems that most supervisors would find it "unpleasant." If one considers the task from an "I'm right; you're wrong" viewpoint, it

is easy to see how that can happen. It seems to me that there is another viewpoint.

If getting a job done is a question of focusing energy, and the supervisor sees that an employee's focus is off, a productive approach might be to help the employee better apply his/her efforts. Putting it another way: If the job is to walk from the desk to the door, and the supervisor sees the employee headed for a wall, the employee would probably appreciate it if the boss told the employee what he/she saw happening. It could be that the employee would change direction. It could also be that together the employee and the boss would put in a new doorway.

Chuck Sords
Personnel Officer
Federal Highway Administration (DOT)
Homewood, Ill.

Dear Editor

Readers may be interested to know that the "Guide for Improving Performance Evaluation" discussed in our July/September *Journal* article on "all you want to know about... Performance Evaluation and Rating" is being published separately as a Personnel Management Series No. 28. It gives up-to-date guidance on techniques for appraising employee performance and guarding against bias in appraisals.

The Guide provides state-of-the-art information presented from a practical viewpoint. The material stresses employee participation in the evaluation process, training of supervisors, and the importance of feedback to and from employees.

Personnel Management Series No. 28, available shortly, will be stocked for sale by the Superintendent of Documents, Government Printing Office, Washington D.C. 20402, Stock No. 006-000-01028-8, $1.30 a copy.

Priscilla Levinson
U.S. Civil Service Commission

did you know?

Number of Employees

● As of November 1977 there were 2.84 million Federal civilian employees; of these, 2.79 million worked in the executive branch. The vast majority of executive branch employees were full-time; only 238,000 worked on part-time or intermittent schedules.

● Six executive branch agencies were the main employers: Department of Defense (985,000), U.S. Postal Service (653,000), Veterans Administration (226,000), Health, Education, and Welfare (156,000), Treasury (123,000), and Agriculture (121,000).

Geographic Distribution

● Most Federal workers are employed at installations across the United States; only 125,000 Federal civilian employees are stationed overseas. Of the overseas employees, 67,000 are not United States citizens. Nearly as many Federal workers are employed in California—almost 11%—as are employed in the Washington, D.C., metropolitan area—12%. After California, the States with the largest Federal civilian employment are New York, Texas, and Illinois.

Size of Federal Work Force

● Expressed in terms of other work forces, Federal civilian employment amounts to 3% of the total civilian work force, and less than 1/5 of all government employment— Federal, State, and local. Since the number of Federal employees has remained fairly stable in the 1970's, Federal Government employment has actually declined in relation to total civilian employment. It has likewise declined in relation to total nationwide government employment— Federal, State, and local.

Competitive and Excepted Services

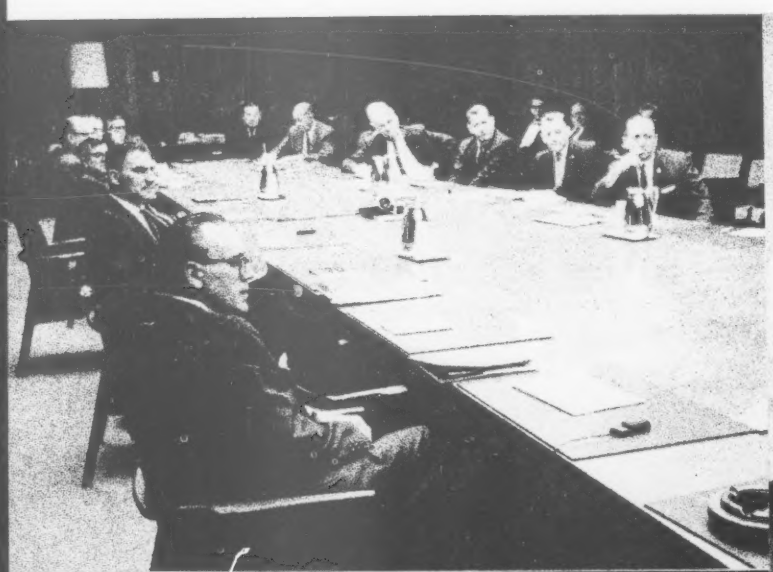
● Of the 1.1 million Federal positions outside the competitive service, 82% are excepted by statute. The remainder are excepted by action of the Civil Service Commission or by Executive order. About 100,000 positions are excepted by the Commission because it has been determined that examinations are not suitable for these occupations. About 1,600 are excepted because they are of a confidential or policy-determining nature.

(more DID YOU KNOW? on page 39)

WHAT'S RIGHT WITH FEDERAL EMPLOYEES

by Alan K. Campbell

CHAIRMAN CAMPBELL delivered this speech before the International Personnel Management Association in Washington, D.C., on January 18, 1978.



WE ARE embarked upon what promises to be the most sweeping reorganization of the personnel function in Government since 1883. The press nationwide is covering this effort more frequently than even the most ardent advocate of personnel administration might have envisioned. Such widespread interests reflects, I believe, a deep-seated if sometimes overly simplified concern for efficient and effective Government.

Unfortunately, what I read in the press and what I hear from public employees and private citizens indicate a lack of understanding of what we are trying to accomplish. Too many people believe that what is at issue is the quality of the Federal worker. That is not the issue and I have said so on numerous occasions, but I am pleased to have this opportunity to spell out again why that is not the issue. The issue is really whether the system can take advantage of the overall proficiency and professionalism of the career service.

Criticism of the civil servant has been a popular theme of candidates for public office since the colonists ousted King George from this continent. Editors know this. And many public servants seem to have become immune to it. But they and the public at large need to understand that the reported criticisms of the Federal personnel system made by me and others involved in reorganization are not the corollaries of a disrespect for the Federal employee. Quite the contrary. Those criticisms are accompanied by proposals which provide that employee with a greater role in the output of his or her agency and which appeal to that employee's commitment to public service.

Recently, the *Wall Street Journal* published a penetrating article about the inefficiencies of the bureaucracy. The reporter wrote about walking the halls of several agencies, and finding employees with empty desks, doing no work. She called them part of a "Turkey Farm"—employees who are no longer needed, but who can't be fired. Considering that the dozen or so large agencies she visited had several thousand employees, it doesn't surprise me that she was able to find some unoccupied.

This is a rather hackneyed description of Federal employees, but points out one reason why we are so easy to criticize: The reporter was allowed to visit freely anyone she wished, go where she wanted, and talk to anyone she met. In spite of the cases she describes, I don't agree that her evidence implies that Federal employees are any less efficient than private sector employees. I disagree for three reasons:

Vulnerable Target

One, the public employee is more exposed and available to the critics than private industry counterparts. Few businesses would allow a reporter free access to its rank-and-file employees on the job.

Two, the obligations of the public and private sector to the public's interests differ. The private sector is certainly concerned with its public image, but that concern arises primarily out of a desire to maintain or increase profits or its share in a market and to avoid violation of laws affecting its operations. The public sector may have parallel concerns at times but accepts the additional goals of balancing competing public interests and serving as a model of equity. This theme is easily illustrated by the personnel function, where private industry may fulfill its obligation to the law and to its own interests by considering only those job candidates obviously suited for a vacancy. They

do not face the voluminous demands for responding to every inquiry, rating every applicant, applying those applications to any similar vacancies over time, ensuring preferential treatment of veterans, and being liable for procedural mistakes in this cumbersome but assumedly egaletarian process.

Three, as much as a business executive complains about Government rules, Government has far more rules controlling its own behavior. It must do everything out in the open, respond to Congressional inquiries, answer every letter, make sure everyone entitled to a service gets that service, and in short, be fully responsive to 215 million citizens. That is no small obligation. In the face of it, public employees do a damn good job and deserve some praise.

As to the implication that Federal workers don't work hard enough, whatever the comparison with private workers, I would argue both that that is not my experience and that inevitably the private sector provides the only benchmark we have. It is a rare individual who could not work harder and it is a rare organization that does not have some slack—perhaps due to intermittent work demands, perhaps due to downtime between old and new programs. But one must be careful not to assume that every instance of worker inactivity is the equivalent of sloth.

I'm a bit tired of spending my workday listening to criticism of my fellow Government workers, when I remember many instances of private sector inefficiency—the time, for example, when on the way home I stopped to pick up my car which had been at the dealer for service, to find that it had not been worked on, even though I made an appointment 2 weeks earlier. I return it the following Monday, leave it again, and again pick it up to find that the engine still runs rough, the door still doesn't lock, and there are grease stains on the front seat; there is a third trip and perhaps a fourth.

Or I wait 10 minutes to purchase something in a department store while the salesclerks chat.

Or the hotel overbooks, and there's no room for me and it's 11 p.m. and the desk doesn't seem to care very much.

Need I go on?

Criticism of Federal employees, always present in a free society, and often constructive, has mounted these past few years, brought about partly by Watergate, partly by the unrest of the sixties, and partly by increasing demands for public service that the Government cannot always meet, and perhaps by the fact Federal employees are now paid as much as their private sector counterparts. I have cited examples of this criticism in several recent speeches and will not repeat them here.

Perhaps the criticism is easing, and I like to think this is due in part to the personnel reforms we are suggesting, and more importantly to the President's initiatives for improving government efficiency.

In 1976 a Harris Survey, for example, reported that 11 percent of the respondents expressed "great confidence" in the executive branch of Government and 16 percent had "great confidence" in major companies.

Two weeks ago the same survey for 1977 found that 23 percent expressed such confidence in both institutions—a doubling of respect for the executive branch—not a bad increase for a single year. At the same time, the press at 19 percent was the only major institution to show a decline in public confidence.

Twenty-three percent is not adequate for either Government or major companies, but that's better than public satisfaction with law firms (16 percent), organized labor (15 percent) or advertising agencies (11 percent).

Now let me turn to some specifics about what's right with Federal employees. I would like to discuss some measures of quality of the Federal work force, productivity, and the way the Federal career service provides continuing public service regardless of transitions, scandals, and other tensions. We deal now in fields where precise measurements are difficult but nonetheless must be attempted, if our discussion is to advance beyond use of anecdotal evidence.

Measures of Quality

What indicators of quality can we cite?

One, it seems to me, is the relation of the size of the Federal work force to the people it serves. Does the work force match the population? Has it kept pace with the people it serves?

As a percentage of the U.S. population, Federal employment has been remarkably constant for almost 31 years. As a percentage of the work force, Federal employment has not risen in almost two decades. The composition of the public sector has, however, like that of the private sector, become far more specialized, reflecting both the changing character of our society and the changing demands for Government services.

More Professionals

Who was the civil servant at the outset of the civil service system?

As Leonard White writes, ". . . the characteristic figure in the rank and file was the person who sat at a desk and used a pen: the auditing clerks and the department copy clerks."

By the turn of the century, however, "the geologist's hammer, the chemist's reagents, the plant pathologist's microscope had become the marks of a new kind of public service."

Nevertheless, even today, I suspect that the average citizen still thinks of the "bureaucrat" as a clerk, perhaps wearing a green eyeshade. The public needs to know that the clerk of yesterday may be today a computer programmer, or a scientist at the National Institutes of Health, or a manager of a $10 million soil conservation program, or a Nobel Prize winner in medicine, as were two employees of the Veterans Administration just this year.

Better Education

Look at the high educational level of the Federal work force. In 1974, the latest year for which we have full data, 55 percent of the full-time, permanent, General Schedule employees had some college. Fourteen percent had a bachelor's degree.

The record shows, moreover, that the Federal service has been increasingly successful in attracting college graduates to compete for the Federal Service Entrance Examination and for its successor, the Professional and Administrative Careers Examination. In 1962, 53 percent of the FSEE competitors had a B.A. or better, while in 1974 the figure was 82 percent.

We have been successful, as well, in attracting educated blacks to the Federal service at a time when opportunities for them were increasing across the board. According to the recent study by Richard Freeman for the Carnegie Commission on Higher Education, more than half of black men with 4 or more years of college were government workers (State and local included) in 1970, compared to 27 percent of white males with similar levels of education.

Seventy-two percent of black women graduates were government employees, compared to 56 percent of white female college graduates.

Positive Attitudes

Another indicator of quality in the work force, I would argue, is the state of employee morale and attitudes toward their jobs. I am heartened to note that Federal employees are apparently not victimized by self-prejudice. They do not share the general population's negative attitude toward public service.

Federal employees like their jobs. This was confirmed by the attitude summary that CSC distributed a few months ago, a summary of responses to 44 questions from five groups of employees—General Schedule, Wage Grade, new employees, supervisory General Schedule, and supervisory Wage Grade—in five agencies.

Sixty-nine percent confirmed that they were doing work they liked, and 83 percent felt that people in their organizations were doing a good job.

And this attitude is not new.

A study by W. L. Warner, reported in the *Public Administration Review* in 1962, compared 7,600 mid-level Federal managers with 6,000 comparable business executives, and found that the civil service employees were more highly educated, more achievement-oriented, and no more power hungry than the businessmen . . . 78 percent of the Federal managers were college educated compared with 57 percent of the business people.

Other more recent studies demonstrate the same high degree of motivation and ability.

High-Quality Executives

Quality is clearly demonstrated by the executives at the top of the civil service, too. These men and women who direct the day-to-day business of the Federal Government are dedicated professionals—highly educated, and leaders in their occupational fields.

Considerable background and attitudinal information is available to support such claims, including the reasons they entered the service. The most prevalent, according to a CSC survey, are:

—An offer of an interesting, challenging assignment.

—The best opportunity for pursuing a chosen occupation.

—A commitment to public service.

—The wish to be useful in an emergency or in accomplishing a specific mission.

Increasing Productivity

The quality of the Federal work force is also demonstrated by the decreasing proportion of the Federal budget devoted to personnel and by the rising productivity of employees.

From 1970 to 1976, for example, the total Federal budget increased at the rate of 11 percent a year, while personnel costs increased only 9 percent a year. Since the number of employees has remained fairly constant during this period, and increased personnel costs were due largely to inflation and comparability pay increases, employees appear to be handling larger responsibilities, even when one accounts for the increased volume of revenue-sharing with State and local governments.

Another example is that productivity of the Federal work force

has risen at about the same average annual rate of change, from 1967 to 1976, as nonfarm private sector productivity—1.2 percent a year and 1.3 percent a year, respectively.

But before I go any further, it would be beneficial to briefly describe how we measure Federal productivity.

The Federal Government's first comprehensive programs to measure its productivity in a systematic way began in 1970. Each of 28 Government functions are measured each year. The net changes in productivity for all these functions are combined to get a general indicator—the 1.2 percent a year average rate of increase I mentioned earlier.

Productivity by functional area varies widely. For example, communications, which basically covers Federal telephone service, realized a productivity increase of 8 percent a year for the 10 years ending 1976; but for printing and duplication during the same decade, productivity dropped 2 percent a year. These are examples of the best and the worst. This system enables us to look at the various products and services of the Federal Government, alerting us to changes, so we can capitalize on the improvements and correct the deficiencies.

Now let us look at some specific examples. First, one of the Federal Government's largest operations—the Social Security Administration. The agency's total productivity increased approximately 32 percent from 1968 to 1976. There are varied and complex reasons for SSA productivity increases, including the application of computers, creative management, automation, and more efficient systems.

Of SSA's personnel located in the field, a third of these, about 15,000, are claims representatives. Their responsibilities are broad, including: processing new and old claims maintaining files, determining continued eligibility, maintaining SSA numbers, medicare, and assistance in earnings requests.

In 1973 they processed 3 million address changes and in 1975 9 million, with about the same size staff. This increase involved only minimal technology and procedural changes. Rather it was a matter of the claims representatives producing more.

Another example is the Customs Service, which increased in efficiency from one successful discovery of contraband in 8,000 inspections to one in 400 inspections. This resulted directly from an analysis by Customs officials of the criteria it had been using to select potential contraband packages for inspection.

Another approach to improved productivity is the labor-management council idea, which gives employees a formal means for discussing how to improve work processes. The council at the Sacramento, Calif., Air Logistics Command, for example, was initially installed in one division with 1,200 employees. The 1-year pilot program has resulted in increased production and an annual saving of $34,000.

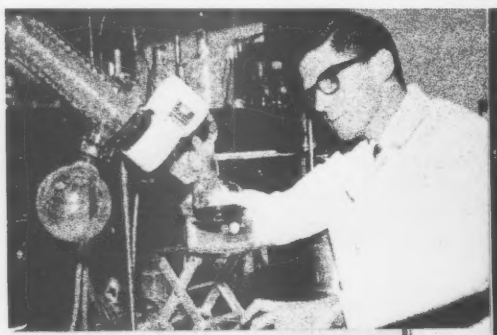
As a result of the success of this pilot program, the Air Force is now setting up more labor-management councils.

Continued Creativity

Managerial excellence is the heart of any organization's progress, but such excellence is not readily recognized in the Federal Government.

Someone in describing the difficulties scriptwriters faced in writing the Public Broadcasting series on Elizabeth I of England noted that "It's hard to portray and dramatize administrative genius."

We must find ways to explain the success of Federal employees in translating a national policy adopted by a President or enacted by Congress into a living, working program that accomplishes the goals set for it.



The public needs to be reassured—to know that the work of Government does get done, in spite of criticism. And it does get done.

In 1976 the Social Security Administration issued checks for 33 million beneficiaries each month, the Veterans Administration mailed out 55 million checks during the year, Federal air traffic controllers brought in 23 million flights, the State Department issued 3 million passports, and, regularly, the Coast Guard patrols some 88,000 miles of tidal shoreline and inland waterways.

As our population has grown in numbers and complexity, the job gets even tougher, and career civil servants must find new ways to do all the things that the law requires them to do.

Among the faceless bureaucrats are the thousands of employees at every level who are the incentive awards winners, people who make substantial contributions beyond their job responsibilities.

This past year alone, 266,000 employees were honored through this program. That is, 10 percent of our Federal work force were recognized for doing more than the job requires.

Their contribution resulted in over $319 million in tangible benefits to the Government and the American taxpayer. The cash awards we paid these employees amounted to roughly $32 million —which means that the Government and the American taxpayer received a return of about 10 to 1 on their investment in the incentive awards program.

And these results are not just a one-time shot. Ever since the awards program was formalized in 1954 we have seen similar results. Tangible benefits to the Government since then have exceeded $4.8 billion.

Holders of the President's Award for Distinguished Federal Civilian Service, such as Wernher von Braun, Frances O. Kelsey, and U. Alexis Johnson, are people whose contributions to our national life need no description.

But you may be unacquainted with the name of Lawrence Guzick, who recently received the highest cash award in the incentive system — $25,000, presented personally by the President — for his invention of a small filter that has replaced the conventional steam-traps used on naval ships. This device already has saved more than 875,000 barrels of oil and more than a half million dollars in repair costs in the Navy alone, and has possible use in other Government agencies as well as private industry.

There are other faceless bureaucrats:

—The 23 Forestry Technicians at the Bankhead National Forest who, following a devastating tornado, prepared in one month over 12 million board feet of damaged timber for sale, thus saving the Government over $100,000.

—The pilot in the Panama Canal Company who suggested that with the aid of two-way radios two pilots (rather than four) could guide large ships through the Canal, with a saving of $75,000 per year.

—A foreign service officer, who devised a simplified, worldwide passport record system resulting in the elimination of 50 percent of the paper volume previously handled and 87 percent of the filing cabinets formerly required.

Their stories are seldom front-page news.

Stability in Crisis

The faceless bureaucrat, who is so often censured for his unwillingness to move quickly, is a unique stabilizing force when our Government is in crisis, such as the resignation of President Nixon. How many other nations would have made the transition so smoothly? Elizabeth Drew, who wrote one of the best of the 50 or so books on Watergate, commented at that time:

"The government bureaucracy is an easy target. It is too large, too slow, too saddled with rule-books and regulations. . . . But so is almost every other bureaucracy —in corporations, universities, news organizations. . . . Washington bureaucrats are not exceptional in this respect.

"But they may be exceptional in another one. . . . Many of those who tried hard to protect the independence of the civil service have left the government. Many government workers are demoralized. Many of them fear that their reputations have been tarnished by recent events. But this should not be the case. Most government workers are there for idealistic reasons—they believe in what they do. And most of them resisted great pressures. They are a force for stability. They may be as honest a government bureaucracy as there is in the world. . . ."

Recall that during this period IRS agents suspected something amiss in the tax returns of the then Vice President, Spiro Agnew. To their credit, they investigated further, found their suspicions correct, and turned the charges over to the Justice Department, whose career people pursued it to its conclusion.

It was IRS again that was pressured to investigate those on the Nixon administration "hit" list, in an effort to harass them. IRS leadership, to their credit—both the Presidential appointees and career people—refused to participate.

High Ethical Conduct

Federal employees are subject to the highest standards of conduct. A code of ethics has always existed, but has been strengthened over the years, and is now based on Executive Order 11222, issued by President Johnson.

President Carter is proposing further strengthening of the ethics program and emphasized his interest in a message to Federal Ethics Counselors a few weeks ago regarding the pending Ethics in Government Act. He said:

"The Act would establish far-reaching safeguards against conflict of interest and abuse of trust by government officials. It builds upon my own commitment to financial disclosure, and it incorporates the standards I have already required of my own appointees."

Yet, in spite of the safeguards, Government workers are accused, usually in a sort of vague way, of being corrupt. A dramatic case is usually cited as proof of the widespread corruption in Washington. One such example is the GS-5 employee at the Department of Transportation who was recently caught with a dozen or so limousines, a nightclub, and a houseboat, after having embezzled more than $840,000 from the Government.

But what is the total story? In this particular case, the employee was arrested, tried and convicted, and is now serving a 6-year prison sentence. The Government has gotten title to the property he bought with the embezzled funds and expects to recover most of the loss.

FBI statistics on white-collar crime show about 21,000 convictions for the nation as a whole during the past six years, approximately five times the rate within the Federal Government.

Security as an Attraction—a Myth

The Federal Government has also come to be known as a great sanctuary of security for its employees. I have probably lent my voice to this criticism as much as any. But by that I have meant that employees who should move on can find easy protections to prevent their mobility. The evidence suggests that *voluntary* movements in that portion of the Federal work force for which we can obtain private sector data—i.e., manufacturing—would be quite similar when we factor out white-collar Federal employees.

The Public Needs To Know

In discussing what's right with Federal employees, I have cited data on the quality of employees, productivity, stability, and honesty. But I don't presume that one talk will change many minds.

Rather, everyone in public life who knows these facts should use them to dispel the myths of public employment, and encourage better public understanding of public service.

I suppose the next question should be, "If Federal employees are so productive, dedicated, and capable, why should we reform the personnel system?"

Those of you who are familiar with what we are doing realize that reform proposals are of two types. The first, reorganization, aims at clarifying the ambiguous role of the Civil Service Commission itself. It is neither in the interest of employees or managers for there to be confusion as to whether the Commission represents employee interests or management interests, whether the Commission makes rules, prosecutes offenders, or renders grievance decisions, whether the Commission serves the President or guards the ideals of merit independent of the President. That clarification, I believe, serves everyone's interest.

The other type of reform is the legislative proposals in which we seek to do new things. My own attention has been especially focused on the Senior Executive Service, though I am obviously involved in the entire range of proposals. The SES has drawn particular fire because it is viewed as the embodiment of the alleged criticisms of Federal employees. That is simply an unfair perspective. That Federal employees do a tremendous job is not at issue. We are faced in this country with a number of constraints that make the present management system in the public sector no longer viable. First we have virtually "no-growth" prospects in employment for the foreseeable future. At the same time there are demands for improved services, for equity in employment across races and between sexes, for improved productivity, and for openness and accountability.

The current system makes those objectives difficult to achieve—some would say impossible. But even worse, the present system imposes on those same hard-working bureaucrats an array of rules and restrictions that minimize rather than maximize their contributions. You cannot maintain high morale where effort is insufficiently supported; you cannot achieve high productivity where accountability is unaccompanied by management tools; you cannot pay enough attention to innovation and service if you are preoccupied with chinking every crack in the system of employee protections.

We want to make it possible for the vast majority of the employees who *are* productive to be even more productive, unencumbered by the rigidities of the personnel system that now impedes efficiency.

And, we want to make it possible to improve the work—or discipline those who are not fully capable.

In short, the productive people have everything to gain, and the less-than-productive will have the opportunity to improve.

The creation of an independent Merit Systems Protection Board will protect the rights of both, and the Office of Personnel Management will permit us to be more creative in overall personnel management. CSJ

THE AWARDS STORY

President Says "Yes" to Incentive Awards

In an October 1977 letter to heads of departments and agencies, President Carter expressed his interest in using existing incentive awards programs as the principal means through which Federal civilian and military personnel can receive recognition through which Federal civilian and military person- for improvements they generate. He asked that suggestions, inventions, or special achievements producing first-year benefits of $5,000 or more, or representing a major contribution to the nation's energy conservation effort, be brought to his attention so that he might send a personal letter of thanks. (Exceptional contributions to Government reorganization, zero-base budgeting, paperwork reduction, and regulation reform also are being recognized by a personal letter from the President.)

These letters, sent whenever the White House receives notice of a qualifying achievement, are presented by departments and agencies in addition to any cash or honor granted. (CSC Bulletin 451-17, dated December 2, 1977, contains instructions pertaining to the Presidential Recognition Program.)

This new program substantially increases opportunities for Federal personnel to receive Presidential recognition. It extends consideration for this honor, formerly reserved for only a few top-level Government officials, to Federal civilian and military personnel at all levels and in all occupations. In addition, each October departments and agencies will review all employee contributions that earned a Presidential letter during the preceding year and then will select and nominate the best for Presidential Management Improvement Awards, to be presented annually at the White House. (Previous criteria and nominating procedures for the PMIA have been superseded by CSC Bulletin 451-17.)

One month after agencies received instructions, 63 individuals had been recommended for Presidential letters, with benefits to the Government totaling $2.7 million.

The President's involvement in Federal incentive awards provides great opportunities for managers to stimulate improvements in Government operations and increase public awareness of the achievements of Federal workers.

Results of a recent intergovernmental personnel program assistance project demonstrate that management support of an employee suggestion program can produce significant benefits to the organization. Federal funds were granted to New Jersey to help revitalize the employee suggestion program. Two new positions were funded to make a total of six to run a State-wide program covering 50,000 employees. The saving rose from a former high of $100,000 a year to a record-setting $500,000 per year.

A further illustration of the benefits that can result from management backing of employee suggestion programs appeared in the October 17 issue of the *U.S. News and World Report.* Matsaharu Matsushita, Chairman of the Board of Matsushita Electric, credits their determination to "listen hard" to employees for the company's spectacular growth from a $50 start into a major international company with $5.8 billion in sales. "From listening hard comes inspiration, direction—and growth," Matsushita said. This company averages 11 suggestions per employee a year.

Benefits to Government and Taxpayer

In 1977, 266,000 civilian employees were recognized for exceptional effort. Their contribution resulted in $318 million of tangible benefits to the Government, equal to the Federal income taxes of 172,000 Americans. Benefits to Government averaged $3,000 per suggestion and $1,000 for each special achievement. Twenty-five percent of all suggestions were adopted, and 150,000 employees (7 percent of all Federal civilian employees) made suggestions. Total cash awards to employees hit $32 million—*meaning the Government and the American taxpayer received a return of about 10 to 1 on their investment in the Federal Incentive Awards program.*

—Edith A. Stringer

one man's opinion

THE REFORM PACKAGE

David T. Stanley

THIS IS WRITTEN at a time when the proposed Federal personnel reforms are in controversy, and I don't want to stay out of the scrap. On the whole the reform package looks good. It's the broadest, most constructive effort since the Federal civil service began, and it's a credit to the career people who worked so hard to prepare it. All or parts of the package are being opposed, either overtly or subtly, but this should be expected of any major change proposal. It's easy to oppose anything that threatens the many delicate balances in our politico-administrative system. People who have learned how to use the system don't like their angles to be altered. Now let's take a summary look at the major pressure points.

The Reorganization

The idea of splitting the Civil Service Commission into an Office of Personnel Management (OPM) and a Merit Systems Protection Board (MSPB) is sound and overdue. The Commission has been largely isolated from the President's management apparatus (except perhaps during the chairmanships of Philip Young, John Macy, and Roger Jones) and thus has lacked influence in giving policy leadership. It has been isolated from the operating agencies by the schizoid necessity of both helping them and overruling them. It has lacked the power and standing to examine and stop political intrusions into the Federal merit system. The reorganization will solve these problems if the two agencies are capably staffed and led. The OPM can furnish positive leadership and service, and the MSPB can investigate outrages to the merit system as well as adjudicate complaints by aggrieved employees. The change will mean a sounder institutional base for each of these functions.

There are two deplorable weaknesses in the plan, however. One is the provision that associate directors of the OPM will be in the excepted service. I think a merit system agency should be run by career people, except possibly for the director and the deputy director. Second, the plan to have discrimination appeals go to the Equal Employment Opportunity Commission, though apparently meritorious, is sure to result in time-wasting failures of coordination and excessive paperwork. Women and minorities will be better served by a single-track appeal system; it can be equally objective and more incisive.[1]

The Senior Executive Service (SES)

Here's another overdue reform. We've tried other ways in the past to solve the problem of picking and moving the top executives who work with Presidential appointees, and we have not done well. They need a separate iden-

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[1] Editors note: provision to move discrimination cases to EEOC is contained in Reorganization Plan 1, and is not a part of Reorganization Plan 2 which deals with CSC functions.

tity and a separate system. These executives work on politically important policies, and their acceptability, their operating styles are part of their qualifications. People who aspire to work at these levels must understand that there is risk as well as reward in such jobs. The risk element is reduced in the reform package by provisions for percentage limitations on non-careerists in SES jobs, for reassignments, for retreat rights, and for delay of personnel actions taken by brand-new political executives. However, mobility must be possible at the option of agency heads, and SES employees cannot expect absolute security in specific jobs. My own main criticism of the SES plan is the failure to provide mechanisms for inter-agency movement. The OPM will simply have to develop them.

"Firing Incompetents"

Both the President and the unions have overdone the rhetoric on this subject, and both the Commission and the unions have been playing numbers games with separation statistics. The unions are right that the reform bill shifts the burden of proof from management to the employee in a proposed adverse action. The President is right that it is now time-consuming and difficult to separate an employee for substandard work. What both sides are missing is that even after the new law is passed it will be hard, slow work to fire an employee for poor performance. Departments and agencies are sure to have internal hearings and appeals, and the Merit Systems Protection Board and its administrative law judges are sure to proceed carefully. I look for a continuation of low discharge rates and slow processing.

Veteran Preference Changes

The authors of the reform package have done an admirable job on proposed changes in the Veterans' Preference Act. Preferred opportunities are preserved for disabled veterans and for veterans seeking jobs for a limited period of years after discharge from the military. Yet lifetime preference for the non-disabled would be eliminated. This is sound policy. It would help minorities and women to a modest extent by unblocking some appointment registers and revising some retention preference lists. The net effect will be small because of modest levels of both hiring and layoffs in the Federal service. Still, the reformers are trying to take something away from a politically influential group, and I'll be surprised, though happy, if the Administration invests a lot of political capital in the effort. I do wish the reformers well in their effort to modify the Rule of Three—a change that will help management flexibility both in choosing appointees specifically qualified for jobs and in working toward fair employment goals.

Performance Appraisal

There is no such thing as a good, enduring, multi-purpose performance appraisal system. Such systems always get corrupted by supervisors' reluctance to sit in total judgment on their employees in a meaningful way. It is a good idea to wipe out the present pointless system, as the reform bill would do, but I wonder if the various agencies will do better with their authority to develop their own plans. If I were an agency head, I would not have a comprehensive system. I would lean on supervisors to do well in leading and training employees and maintaining discipline. I would rate employees competing for promotion on the basis of their qualifications for the job to be filled. I would rate employees for retention in reductions in force on their relative fitness for the jobs that will remain. I would discipline or discharge employees on the basis of documented facts, not on the basis of a periodic rating. All this would not be easy, but don't tell me I'm dreaming.

Other Pluses

There are other constructive parts of the reform package that deserve support:

- Incentive pay for upper-middle management (GS-13 through -15) merits a careful, energetic try to see if it can be used effectively. The danger will be management's reluctance to make distinctions among officials at these levels. "Common denominator" pressures are unhappily very strong.
- Authority for research and demonstration projects is needed. We can still learn much about techniques of working with people, and it would be good to set aside the usual rules for temporary periods to see what some innovations can accomplish.
- The embodiment of merit principles in the statute is a step of such obvious value that it is astonishing it was not done years ago.

In Closing:

Objective consideration of the reform package is being impaired by an unwholesome variety of self-serving rhetoric. It is also impaired by efforts to drag in the matter of comparability pay adjustments, a topic irrelevant to the reforms. More relevant, but unfortunately not ready, is an answer to the question, "Where is the Federal service going on collective bargaining?"

Let's be as specific and realistic as we can in evaluating the reform package. It's easy to be so busy finding fault with it that we forget how much the present situation needs to be changed. There will not be another opportunity this good for a long time. CSJ

THE TRUTH ABOUT COLLECTING RACE INFORMATION

by Helen J. Christrup
Personnel Research and Development Center
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THE CIVIL Service Commission has begun to find the most reliable means of collecting and analyzing race, sex, and ethnic data on applicants. A December 1977 CSC news release announcing plans to ask Federal job applicants their race, sex, and ethnic background received nationwide news coverage and aroused considerable public controversy. Some news accounts of the program were misleading and fueled the controversy. In this article we will clarify some misconceptions about the program and describe both the research and the plans for using its results.

The Most Common Misconceptions

The most common misconceptions come from assumptions that the data will be required on application forms and be used to make employment decisions. This leads to the fear that either discrimination against or preferential treatment for certain groups will result.

The facts are:

—The Commission is required to collect the data by both the Federal Executive Agency Guidelines for Employee Selection Procedures (*Federal Register* Nov. 23, 1976) and the draft Uniform Guidelines (*Federal Register* Dec. 30, 1977).

—The data are *not* being collected on application forms.

—Applicants are encouraged but not required to give the information.

—The information will not be used to make individual employment decisions.

—The information will not be available to the officials who decide which applicant is hired.

The information is collected on separate forms and sent directly to the Personnel Research and Development Center for analysis of

total data only. The information will be used for research purposes only, and will be kept confidential to protect individual privacy. The Privacy Act notice on the forms describes how the information is protected. Applicants who do not give the information won't be penalized.

Why Collect Data on Applicants

The Federal Government must ensure that its hiring procedures are fair to all. To do this, we need to know the effects of our examining programs on different racial, ethnic, and sex groups so that appropriate modifications or other affirmative actions may be taken when needed. Data gathered only from those who are hired tell us little about the effects of written tests, ratings of education and experience, geographical availability, veteran preference points, interviews, etc., on each applicant group. For that, we need data from all applicants, including those not hired.

Information To Be Collected

The Office of Management and Budget has specified the groups for which the information is to be collected, and has put those groups into three categories (race, sex, and ethnicity). Race includes American Indian or Alaskan Native; Asian or Pacific Islander; Black; and White. Ethnicity includes Hispanic and Non-Hispanic. The groups were chosen based on the proposition that they are the ones who have experienced the major impact of discrimination in our society.

Another form, with the same confidentiality and security safeguards as the race/sex/ethnic form, asks for background information from each applicant. This is the type of information routinely collected for research on hiring procedures and in survey research. It asks for such things as education, veteran status, age, academic standing, academic major, community size, languages spoken, and occupation and education of parents.

Nature of the Research

A 1-year experiment is in progress which, if successful, will serve as the basis for a 5-year plan for a Federal-wide system of data collection, analysis, and reporting. Essentially the research consists of:

1. Controlled experiments to find the most valid, reliable, relevant means of obtaining race, sex, ethnicity, and other background information. This requires determining:

—Method of obtaining the data (for example, self-identification or visual observation of race, sex and ethnic data).

—Specifications for the information.

—Design and informational content of the form for obtaining data.

—How to administer and verify.

2. Experimental systems research to find the most critical parts of the hiring process and how to coordinate them with other data. These parts include:

—Written test results.

—Rating procedures results.

—Results of certification, including the effects of veteran preference, name requests, selective certification, and apportionment.

—Results of hiring including the effect of the members-of-family restriction.

3. Research to decide which jobs should be included in the study.

4. Labor market and occupational research to find the most appropriate data bases against which to compare Federal occupations and employment practices.

Five examinations were chosen for study in the first year of research. These examinations are:

☐ Professional and Administrative Career Examination (PACE) (nationwide).

☐ Junior Federal Assistant Examination (JFA) (nationwide).

☐ Border Patrol (in selected cities).

☐ Mid-Level (in selected cities).

☐ Selected clerical examinations (in Washington, D.C. only).

Several analyses will be made of data, including analysis of:

1. The overall examination and its parts for possible adverse impact on the designated groups.

2. Other biographical information for effects on group adverse impact at each step in the selection process.

3. Relationships among the examination results; race, ethnic, and sex data; and other biographical information.

4. Available labor market indicators for relevance to Federal occupations.

Five results can be expected from the first year of studies:

1. An assessment of the reliability and validity of self-reporting information on race, sex, ethnicity, etc., on a variety of examinations.

2. A test of the use of tape records and computer programs for analyzing data on the adverse impact of examinations.

3. A report of the relationships among examination results; race, sex, ethnic, and other biographical factors; and the implications of the results for appropriate affirmative actions.

4. A report on the most relevant labor markets for approximately 150 Federal occupations.

5. A design for a system of Federal-wide data collection and analysis.

In summary, this major research effort is being developed with great care to ensure not only that the information is used properly and individual applicants are protected, but that reliable and valid information is collected to evaluate the success of Federal examining programs. CSJ

Feedback CSJ Point

I read with considerable interest the exchange between Mr. Shaw and Dr. Schmidt in the January—March 1978 issue of the *Civil Service Journal*. The subject of test fairness is extremely complex, and it does not surprise me that Shaw and Schmidt have such divergent views. I am surprised, however, by the apparent disagreement between Schmidt (in the *Civil Service Journal*) and Schmidt (with Hunter and Rauschenberger, in the *Journal of Applied Psychology*, 1977, 62(3), 245-260). While consistency has been considered by some as the hobgoblin of small minds, the discrepancies between the views expressed in these two articles are so great that an excellent debate between Schmidt and Schmidt seems possible.

The major differences between the two articles may be summarized as follows:

Civil Service Schmidt implies that studies performed by him and others demonstrating that differential validity does not occur at greater than chance levels "proves" that tests are as fair to blacks as they are to whites. JAP Schmidt states that "[Differential validity] is not only a conceptually distinct phenomenon (since a test with equal subgroup validities can nevertheless be unfair, and vice versa), but in all probability it is a nonexistent one."

Civil Service Schmidt states that "[T]here is virtually no research evidence for the test unfairness." JAP Schmidt states that "Empirical findings indicate that employment and education tests lie, in general, somewhere between the requirements of the Cleary and Thorndike models.... They tend to be slightly biased in favor of minority group members by Cleary's definition and slightly biased against minority group members by Thorndike's definition. They are almost invariably unfair to the minority group by the standards of either Darlington's Definition 3 or the quota model."

Civil Service Schmidt states, "The reason that the question of racial fairness of conventional employment tests is an 'unresolved controversy' is not because the scientific evidence is not clear — it is clear— but rather because of social and political forces that resist the obvious conclusion indicated by the research results." JAP Schmidt states that "Recently, there has been increasing recognition by selection psychologists that choice of a fairness model cannot be satisfactorily made solely on statistical bases; questions of social policy and social values necessarily enter into the choice." This latter view is expressed even more strongly by Hunter and Schmidt in the *Psychological Bulletin* (1976, 83(6), 1053-1071): "Indeed we feel that we have shown that any purely statistical approach to the problem of test bias is doomed to rather immediate failure." I gather, considering the tenor of the recent article, that Civil Service Schmidt would have little difficulty with this last statement being labeled as the *Bull.* Schmidt position.

The interesting point about the current controversy is that Mr. Shaw has, by apparently endorsing the position of JAP Schmidt, seemingly aroused the wrath of Civil Service Schmidt. The sad part is the arrogance and pomposity of Dr. Schmidt's reply. Some perspective and respect for the views of others needs to be injected into the discussion. I do not profess to have the answer to the test fairness problem. I do not, however, appreciate having the views of Katzell and Dyer dismissed as "completely undermined" before I have even had a chance to read the critique of their article. Moreover, I simply do not believe that the alleged discovery that there is no significant subgroup differences in validity—which does not even address the question of differential prediction, let alone test fairness--is equivalent in importance to the discoveries that the sun is the center of the solar system, or to the germ theory, or even to the theory of evolution. Nor do I see the "obvious conclusion" (which, incidentally, is never stated) indicated by the research results.

Civil Service Schmidt concludes by stating, "People resisted these scientific conclusions for years, even in the face of massive evidence, because they contradicted deeply held social, political, and religious beliefs." Indeed, Dr. Schmidt's response makes me wonder just whose deeply held beliefs are being challenged.

Donald J. Schwartz
Arlington, Va.

It is unfortunate that Don Schwartz's comments do not reference my original article in the October/December issue of the *Journal*. In that article a careful distinction was made between differential validity by race and racial fairness of tests, and the research evidence on both phenomena was summarized separately. There was no indication that lack of differential validity equates to test fairness. Nor was such an implication intended in my response to Mr. Shaw. I have now re-read that letter to check for such an implication and have been unable to find it. In fact, I find a specific statement that test fairness and differential validity are "not the same" (third paragraph).

What about the definitions of test fairness? Of course, there are a number of different models of test fairness. And it is equally true that social value judgments necessarily enter into the choice of a model, as I have stated elsewhere (*Journal of Applied Psychology*, 1977, 62, 245-260). And because values necessarily enter into the choice, it is impossible to prove *on a purely statistical basis* that one model is superior to all others. But such social value judgments can be and have been made. The following is a quote from my original *Journal* article:

"Psychologists have developed a number of statistical definitions of a 'fair' selection test. However, only one of these definitions has really enjoyed much acceptance. This is the model contained in the 1970 Equal Employment Opportunity Commission Guidelines and the 1976 Federal Executive Agency Guidelines. This definition holds that a test is fair if scores accurately predict future levels of job performance for all groups; that is, the test is fair if predicted levels of job performance are not too low (or too high) for any group."

This model of test fairness is the Cleary or regression model referred to in Don's letter. This model is the one overwhelmingly accepted by personnel psychologists, as can be seen from the fact that it is virtually always the model used in research studies of test fairness. The other models are rarely encountered. Why is this? As I pointed out some years ago, it is probably because all models are essentially mechanisms for setting (disguised) ethnic and racial hiring quotas (see "Differential and Single Group Validity, Test Fairness and Test Utility," Personnel Research and Development Center, Professional Series 75-4).

Although I strongly believe that scientific standards should be set by scientists and not by magistrates, the courts have, in the one case that has arisen to date on this issue, endorsed the Cleary or regression model of test fairness. Judge Spencer Williams in *Cortez* v. *Rosen* declared that "the Cleary model is the only one that is historically, legally or logically required" (U.S. District Court, Northern Division of California, March 11, 1975). This decision was recently upheld by the Appellate Court. As Don indicates in his quote from one of my earlier research articles, tests "tend to be slightly biased in favor of minority group members by Cleary's definition...." This latter point was also made in my original *Journal* article.

In describing resistance to acceptance of the research results on test fairness, it was not, of course, my intent to imply that these findings were comparable in scientific significance to the discovery that the solar system is heliocentric or to the germ theory of disease. Rather, my intent was merely to point out that the *psychological processes* underlying refusal to accept scientific findings were much the same in all these cases. In all cases, the findings were rejected, at least temporarily, because they contradicted deeply held social, political, or religious beliefs. Let me illustrate with the reaction of the wife of the Archbishop of Canterbury upon hearing for the first time about the theory of evolution. Her statement: "It's not true, and if it is, let us hope it does not become generally known." Aren't many people today reacting in exactly the same way to the research evidence on test fairness?

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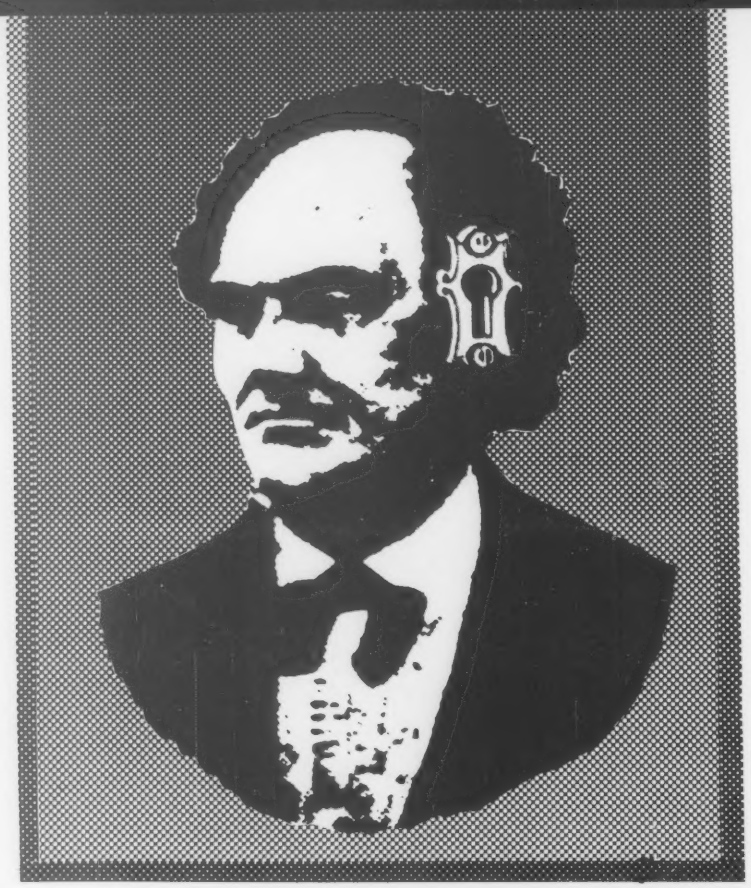
This letter, like its predecessors in this dialogue, represents the opinions of the author and does not necessarily reflect Civil Service Commission policy.



executive development:

AN OLD IDEA, A NEW MANDATE

by Paul E. Arnold
Bureau of Executive Personnel
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EXECUTIVE development has been defined as "the process by which managers and potential managers are identified, selected, and systematically developed for maximum effectiveness in their present positions or for positions of greater managerial responsibility." A fine, bureaucratic definition, and it speaks to a process that takes place inevitably, if not always systematically. Managers are identified and selected every day; unfortunately it is not often that they are developed for maximum effectiveness.

Too frequently a managerial vacancy is like a vacuum: Someone moves in to fill it because it is there. Because such vacancies somehow do get filled, the view has evolved that executive development is expendable, something easily dispensed with when budgets are tight (and when are budgets not tight?).

But the complex demands inherent in managing today's Federal bureaucracy cannot adequately be met by chance. A more sophisticated process than chance, expediency, crisis management, or some other unplanned, unorgan-

ized approach is needed. With President Carter's signing of Executive Order 12027, blandly titled "Relating to the Transfer of Certain Executive Development and Other Personnel Functions," in December 1977, the Civil Service Commission has a new, expanded role in assuring that executive development meets today's needs. More of this new role in a moment.

Two Decades of Executive Development

First, let us briefly review highlights of what's been done to systematize Federal executive development over the past 20 years. It is not a very long or involved recitation. Though it avoided direct reference to executive development, the Government Employees Training Act of 1958 provided for keeping key employees "well abreast of scientific, professional, technical, and management developments both in and out of Government." In 1963, the first of three Civil Service Commission Executive Seminar Centers was established at Kings Point, N.Y. President Johnson signed Executive Order 11315 establishing the Executive Assignment System in 1966, which, among other things, directed the Commission to recommend a program for training and development of career executives. In 1968, the Federal Executive Institute at Charlottesville, Va., was established by Presidential order to meet training needs of Federal executives at grades GS-16 and above.

Early in 1971, a Presidential memorandum called upon Federal agencies to establish executive development programs and directed OMB and the Civil Service Commission to jointly encourage a Federal executive development effort. Later that same year, an OMB circular and the Commission's Federal Personnel Manual Letter 412-1 were issued in response to this Presidential directive.

In 1973, the Commission's Bureau of Executive Personnel (then the Bureau of Executive Manpower, but there is a new consciousness abroad in the land!) established the Executive Personnel Technical Assistance Center to serve as the Commission's clearinghouse for executive development information and assistance. The first Federal Executive Development Program, a Government-wide pilot program for 25 GS-15's with high management potential, was announced that same year. Variations of this pilot program were announced in 1974, 1976, and late 1977, each differing from its predecessors as part of an effort to find the most effective approach. Executive development received additional impetus in 1976 from President Ford's budget message for FY 1977, directing agencies to "strengthen their internal programs of executive selection and training."

We have, in summary, a 20-year history of Federal acknowledgment that executive development has utility, plus a number of uncoordinated actions or directives aimed at fostering some positive movement. What has been lacking these 20 years has been a systematic approach and unified direction. Leadership has been so divided between CSC and OMB that neither agency was truly in charge. The result was summarized accurately by Hugh Heclo in his recent book, "A Government of Strangers." He wrote, "With the exception of a few efforts confined to certain agencies, the overall executive development program can be rated a failure in its attempt to generate groups of more broadly experienced and more organizationally mobile career executives." Efforts in this area, Heclo stated, "have remained undermanned, underfunded, and politically undersupported."

A New Mandate

The signing on December 5, 1977, of Executive Order 12027 heralded a new, systematic, unified approach to executive development. This order delegates directly to the Civil Service Commission "overall executive branch leadership, regulation, and guidance in executive personnel selection, development, and management." Related functions, staff, and appropriations (formerly divided between the Commission and OMB) are now centrally focused in the Civil Service Commission. Responsibility for leadership—not simply of developmental functions, but for the total management of executive resources — has been clearly and fully placed in a single agency for the first time. Now the authority exists that will allow the Commission to systematically begin planning for the integration of executive development with overall executive resource management. The Executive order is a mandate for the Commission to move to meet a number of Federal needs.

New Needs (and Old) To Be Met

What Federal needs can be met in whole or in part by an executive development program?

Continuity, for one. The average age of Federal managers in grades GS-15/18 is about 52. Within 4 years more than half of them will be eligible for retirement. It is obviously not too soon to ask what is being done to assure that trained, competent managers will be available to fill the inevitable breach.

Upward mobility, for another. Despite affirmative action to recruit women and minorities for executive positions, we can take no pride in our present level of accomplishment. Of the total population of GS-15/18 positions, only about 6 percent are filled by

minorities, and about 4 percent by women. If women and minorities are to fill leadership positions without compromising the merit system or diluting the quality of leadership, affirmative development programs reaching them are essential.

Most Federal managers came up through the ranks, building on narrow professional specialties: financial management, a scientific expertise, or some other narrowly defined discipline. Such tight technical focus breeds substantial technical skills, but often leaves little time for developing managerial skills such as decisionmaking, budgeting, dealing with a broad range of people, or coping with the political environment. In short, the technical expert may flounder as a manager—unless he has had the chance to learn systematically how to manage. And helping managers learn to manage is one way an executive development program can pay off.

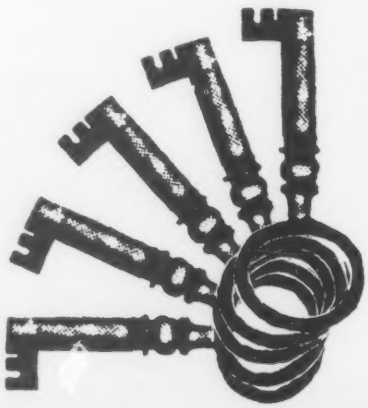
The increasing complexity of Government provides another rationale for more and better executive development. New technologies, social and economic changes, increased public expectation and demand for Government services, shifting national priorities, public awareness, and a myriad of other interrelated factors combine to make the delivery of effective Government services far more complex now than ever before.

This trend is certain to continue because the job of managing Federal agencies and programs has become—and will continue to be—more demanding. We cannot simply assume Federal managers will rise to the task. We need to make certain that they do not remain too involved in stamping out the day-to-day fires licking at their feet. They must have time and opportunity to step back, renew themselves, learn what's going on beyond their immediate jobs, and keep abreast of changes affecting ways the managerial role is played.

This need for comprehensive executive development is more generally accepted, more clearly seen today than at any time in the past two decades. The present administration fully supports it. There is considerable Congressional dissatisfaction with the status quo. Executive Order 12027 has clearly placed responsibility for executive development in the Civil Service Commission. As this article goes to press, legislation proposing a new Senior Executive Service is being prepared for Congressional consideration. If passed, this legislation is likely to require that Federal executives and managers be better prepared and more capable than ever before. For all these reasons, a systematic approach to executive development is timely now.

New Initiatives

What initiatives can we expect the Commission to take? First, we can expect a total commitment to affirmative action, aimed at increasing the role of women and minorities in managing the Federal Government. Certifying public managers with a proposed Senior Executive Service, cooperation with State and local governments, more technical assistance at the agency level, direct confrontation with the roadblocks impeding improved executive development—all are being studied or implemented. Let us discuss some of these plans and proposals in greater detail.



Affirmative Action

Affirmative action underlies all the Commission's planning for executive development. For example, in his December 12, 1977, letter to heads of executive branch departments and agencies announcing the fourth Federal Executive Development Program, CSC Chairman Campbell wrote:

"This Administration is committed to the twin goals of a better managed Federal Government and a Federal executive work force which is more representative of the diversity of the American public. Systematic executive development efforts can help obtain both goals. . . ." He went on to say that it is crucial for top managers to take "positive action to identify women and minority employees who meet the requirements of this program and to ensure that they are included in open merit competition."

In a Federal Personnel Manual Letter titled "Selecting Participants for Executive Development Programs," agencies have been directed to look beyond traditional career patterns, to be sure that all talented, effective employees are considered for executive development. There will be no slackening of this concern.

Systems Concept

Executive development has been viewed over the years as independent of planning, staffing, and other phases of executive resources management. Indeed, many people

have viewed executive development as no more than classroom training for present or potential executives. We believe, rather, that executive development is the *total* process of assuring for an organization a supply of sufficient highly competent executives to provide leadership in both the present and the future. This assurance requires that executive development begin with a determination of need and an assessment of the work force. The process must go on to identify potential managers, must provide opportunity for the development of that potential, and must ensure that talent once developed is used. Finally, the process must help executives keep abreast of new developments and provide assistance in overcoming any shortcomings in their managerial performance.

To this end, the Commission is updating the Federal Personnel Manual. FPM Supplement 305-1, originally dating from the advent of the Executive Assignment System in 1966, is being revised and broadened. In its newest version, this supplement presents executive development as a single, coordinated system, incorporating planning and staffing as well as development per se under the general title, "Executive Resources Management." Drafted before the signing of E.O. 12027, it anticipates the increased emphasis now being placed upon the total concept and practice of executive development in the Federal Government.

A Legislative Requirement?

Legislation is now being prepared that would bring most GS-16, 17 and 18 Federal managers, as well as Executive Levels V and IV, into a Senior Executive Service (SES). As this Service is envisioned, it will require that candidates have their managerial qualifications for career entry certified by the Commission or a successor organization. Under this plan, completion of a systematic executive development program or successful performance of managerial duties would be a prerequisite for entry into the SES. An approved executive development program could involve formal classroom training and developmental work experiences.

Should the SES proposal become law, we will have, for the first time, a clear legislative mandate for executive development. Agencies will find it necessary to provide executive development programs. Executives, incumbent and aspiring, will find participation in executive development activities necessary. No longer will it be possible to place highly specialized individuals in managerial roles without any attention to their ability to manage. Managerial ability no longer will be thought of as something that will emerge once an individual is asked to manage.

Some form of managerial certification appears to hold promise as an integral part of a fully operating executive management program. Should it come to pass as part of the SES (or in some other form), executive development will be the basis of promoting and placing Federal managers.

The Key: Management Support

The disincentives to executive development are well known, and have been with us for a long time. The key to resolving most of them is management support.

If top management of an agency wants strong executive development, believes it is necessary for the agency's long-run effectiveness, and conveys that attitude, then strong executive development will follow. And that is perhaps the principal significance of the Presidential mandate given the Civil Service Commission by E.O. 12027. It gives the Commission new leverage to convince agency management that executive development is more than cosmetic. It demonstrates the administration's commitment to the proposition that executive development is good government, good management, good for employee morale, a good approach to affirmative action—and when all the scores are in, good for the achievement of program objectives.

CSJ

QUOTABLES

For Ellen Goodman the human relationship in all its many forms is fair sport for her syndicated column. She sees what we all see, but through her eyes the view is somehow more sharply focused.

A Boss with Personal (Personnel) Problems

BOSTON—I know a man who is a boss. Not a Big Boss and not a very bossy boss. But he does have a title on his door and an oriental rug on his floor, and he takes his job very personally. Which is, of course, the problem.

You see, when this boss was in business school he assumed that management was a question of profits and losses. Now he finds himself spending a great deal of time worrying about the cost-accounting of personnel problems. Personal personnel problems.

Moreover, he says, it's going around. He keeps reading articles about "corporate irresponsibility" toward private lives. He hears how often business plays the heavy in family crises. But from where he's sitting—in a corner office looking down on the rest of the city—he sees something else.

He sees employees who want to be treated strictly professionally one moment and then personally the next moment. He sees the conflicts faced by his employees, but also the conflicts of being a boss. He is often in a no-win situation.

The boss had three stories to tell me. The first was about his secretary. Last January when he interviewed her, he was warned by the personnel office to keep the questions strictly professional. On pain of law suit, he could not quiz her on her marital status or child care. So, he stuck to the facts, just the facts—steno and typing and work experience.

Then, last month when one of her children was home sick, he was expected to understand why she had to be home. He saw the situation this way: One month he wasn't allowed to ask if she had children, the next month he was supposed to care that they were sick.

Then, there was the junior executive he wanted to promote. The man was clearly ambitious and good. The boss had judged him on the basis of his work; he'd groomed him and watched him. Then, he'd handed him a big promotion to the Southwest. But the junior executive asked to be excused. He didn't want to make the trip, because he just couldn't move his family at that time. But, said the boss, the man had never described himself as immovable on account of teenage children. Now, the boss was asked to make allowances.

The third story was actually somewhat ironic, because it happened in the personnel department itself. The assistant director of personnel was a man who administered the most careful, scientific, professional testing service that the boss had ever seen. It screened people in and out of the company, up and down the hierarchy, on the basis of multiple-choice answers.

But now that man himself had just gotten custody of two small children. He had come in to ask for flexible hours. Under the circumstances, he wanted to know whether he could make some special arrangements that would help his personal life.

This particular boss isn't a Simon Legree. Nor is he the sort of man who treats people like interchangeable plastic parts. So, he adjusted to his secretary. He adjusted to his junior executive. He adjusted to the assistant director of personnel. He did it because, well, a happy employee is probably a productive employee and all that.

He did it because a person's private life is a factor in his professional life and all that. He did it because he believed that business should be more flexible. To a point.

But he feels a certain frustration. People want him to treat them professionally when it's to their advantage and personally when it's to their advantage. While he understands the family-business conflict, he also understands the conflict that comes with the title on the door and the oriental rug on the floor.

Every day this boss has to decide at what point the best personal interests of his employees conflict with the best business interests of his company. Where is it writ, he asks, that business increasingly has to deal with personal personnel issues? How do you balance the needs of the company and the needs of the workers?

Sometimes this man is afraid that he's running a

family agency instead of a corporate division. Other times he's afraid he' s being a heel.

The boss doesn't expect any sympathy. He doesn't want his name in the paper. People don't sympathize with bosses anyway, he says, because it's hard to sympathize with someone who has the power to hire and fire you. He understands that.

But the fact is that he's responsible for 150 lives and one corporate balance sheet. And he takes both of those jobs very personally.

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A LOOK AT LEGISLATION

Personnel legislation enacted during the first session, 95th Congress, January 4, 1977, to December 15, 1977.

Administrative

Public Law 95–87 (H.R. 2), approved August 3, establishes an Office of Surface Mining Reclamation and Enforcement in the Interior Department. Section 201 says that the Civil Service Commission will set a limit on the number of GS–16, 17, and 18 positions for the office and allocate that number to the Secretary of the Interior. Section 704 places Interior employees under the protection of section 1114 of title 18, United States Code.

Public Law 95–91 (S. 826), approved August 4, establishes a Department of Energy and transfers energy functions and personnel from various agencies to one Cabinet-level department. Transferred employees cannot be fired or have their grade or pay reduced for 1 year. Section 601 requires financial disclosure and divestiture for senior DOE officials. Section 621 authorizes a total of 689 appointments at GS–16, 17, and 18. Section 710 increases to 3,243 the total number of positions that may be placed in GS–16, 17, and 18 Government-wide, as specified in section 5108 of title 5, United States Code (see the "Supergrades" section on p. — for information on further increases).

Public Law 95–93 (H.R. 6138), approved August 5, establishes a Young Adult Conservation Corps to be administered by the Secretary of Labor through interagency agreements with the Secretaries of Interior and Agriculture. Corps members are Federal employees for the purpose of injury compensation, tort claims, and allowances for quarters only.

Public Law 95–108 (H.R. 6179), approved August 17, Arms Control and Disarmament Act Amendments. Section 5 authorizes the ACDA Director to appoint officers and employees in accordance with title 5, United States Code, except that for 2 years after the Act's enactment, the Director may make appointments without regard to these provisions under certain conditions.

Appropriation Act Restrictions

Public Law 95–81 (H.R. 7552), approved July 31, Treasury, Postal Service, Executive Office of the President, and Certain Independent Agencies Appropriation Act of 1978. Section 602 says that unless otherwise specified, no part of any appropriation contained in any Act can be used to pay the salary of any Federal employee who is not a citizen of the United States. Section 608 provides that no part of any appropriation contained in any Act can be used to finance interdepartmental boards, commissions, councils, committees, or similar groups under section 214 of the Independent Offices Appropriations Act of 1946 unless Congress has specifically approved the action beforehand.

Foreign Service

Public Law 95–105 (H.R. 6689), approved August 17, amends in title IV the Foreign Service Act of 1946, to improve the Foreign Service personnel system.

Pay

Public Law 95–113 (S. 275), approved September 29, amends in title XVI the U.S. Grain Stand-

ards Act to let the Secretary of Agriculture appoint four people to GS–16 positions in the Federal Grain Inspection Service. When necessary, the Federal Grain Inspection Service may pay Grain Inspectors at any rate within the appropriate General Schedule grade, without regard to section 5333 of title 5, United States Code.

Public Law 95–114 (S. 1731), approved September 30, extends until September 30, 1978, the special pay provisions for physicians and dentists in the uniformed services and reinstates special pay provisions for optometrists and veterinarians in the uniformed services.

Public Law 95–151 (H.R. 3744), approved November 1, amends the Fair Labor Standards Act to increase the minimum wage rate under the Act. And it sets up a temporary Minimum Wage Study Commission to study the social, political, and economic effects of minimum wage, overtime, and other Act requirements.

Public Law 95–201 (H.R. 8175), approved November 23, amends the Veterans Administration Physician and Dentist Pay Comparability Act of 1975 to extend its provisions to September 30, 1978, and to include podiatrists and optometrists under its coverage.

Reorganization

Public Law 95–17 (S. 626), approved April 6, Reorganization Act of 1977, amends chapter 9 of title 5, United States Code, to reestablish the period within which the President may transmit to the Congress his plans for the reorganization of executive branch agencies.

Retirement

Public Law 95–216 (H.R. 9346), approved December 20, provides for social security system financing, and for a feasibility study on extending social security coverage to Federal, State, and local employees and to employees of nonprofit organizations not now covered.

Section 334 says that the monthly benefit to a social security spouse or surviving spouse is to be reduced dollar-for-dollar by the amount of any Federal or public retirement benefit that the spouse has earned on his or her own service. A delay in the effective date is provided for wives and dependent husbands who apply for, or become entitled to, social security benefits within 5 years after the enactment date.

Section 371 requires that career-absolute Administrative Law Judge appointments be conferred on certain temporary Social Security Administration employees without regard to competitive appointment procedures.

Supergrades

Public Law 95–190 (S. 1528), approved November 16, amends the Safe Drinking Water Act. Section 11(a) increases to 3,293 the total number of GS–16, 17, and 18 positions Government-wide, as specified in section 5108 of title 5, United States Code. Section 11(b) authorizes the EPA Administrator to fill not more than 30 scientific, engineering, professional, legal, and administrative positions without regard to civil service laws and to set their pay at a rate up to the maximum for GS–18.

Public Law 95–219 (H.R. 9794), approved December 28, amends the Fishery Conservation Zone Transition Act. Section 3(c) amends Section 5108(a) of title 5, United States Code, to increase to 3,301 the total number of positions that may be placed in GS–16, 17, and 18 Government-wide.

Tax and Garnishment

Public Law 95–30 (H.R. 3477), approved May 23, Tax Reduction and Simplification Act of 1977. Section 301 amends section 505 of Public Law 94–455, to postpone for 1 year the effective date of revisions in the tax treatment of sick pay. Section 408 provides for the withholding of county income or employment taxes from Federal employees' salaries under certain conditions. Section 501 clarifies the law that provides for garnishment of Federal payments for purposes of child support and alimony.

Veterans

Public Law 95–202 (H.R. 8701), approved November 23, provides in title IV that under certain conditions service performed by members of the Women's Air Forces Service Pilots (WASPS) during World War II is to be considered active duty for the purpose of all laws administered by the Veterans Administration. No benefits will be paid for any period before the enactment date.

—Dorothy Mayo

LEGAL DECISIONS FOR THE LAYMAN

Cayce v. *Adams*, an Exception to Equal Pay Act Liability

A former Federal Aviation Administration employee complained that as a GS-8 she had done work equal to that of a male GS-11 in her office. Claiming sex discrimination, she sought damages under the Equal Pay Act and title VII of the Civil Rights Act of 1964.

The judge noted that a plaintiff may raise a case of sex discrimination by showing that she (or he) was paid less but did work equal to that of another employee of the opposite sex. The defendant may rebut this by showing that the difference in pay was due to reasons other than sex. In this case, two employees were doing the same work at different rates of pay for 3 years. The difference in pay arose not because of sex discrimination, but because of an error in classifying the male employee's job.

However, after 18 months, the classifiers were told that the two employees were doing equal work for different pay. Because they did not then downgrade the male and put both employees on equal terms, the difference in pay then became sex-based. The judge therefore ruled the female employee was entitled to damages, but only for the 18 months between the time when the classifiers learned of the error and the time when the female employee retired.

In the Matter of Alleged Prohibited Political Activity, Philadelphia Redevelopment Authority, Philadelphia, Pa., CSC Subpoena Authority for State and Local Employees

Charges were made that employees of the Philadelphia Redevelopment Authority (PRA), a federally funded agency, were being required to make financial contributions for political purposes. CSC therefore began an investigation and issued subpoenas for certain PRA records and for testimony from certain PRA employees. When PRA did not produce the records or the employees, CSC went to court to force PRA to comply.

PRA argued that the subpoenas did not state whether the subpoenaed individuals were informational witnesses or targets of the investigation, and that the subpoenas were issued with the possible intent of developing criminal charges. The judge ruled against PRA, saying that: (1) The individuals would not be denied legal counsel, (2) the individuals would not have to answer self-incriminating questions, and (3) the investigation would be civil in nature and would not be used solely to develop a criminal case. The judge also said that if CSC's powers to investigate were as limited as PRA argued they should be, CSC would have little effectiveness in finding whether laws had been broken.

Shannon v. *USCSC*, Due Process Needed To Collect Annuity Overpayments

CSC failed to deduct health insurance premiums from a retiree's annuity. An overpayment of about $1,800 resulted, which CSC tried to recover simply by notifying the retiree of the error and deducting the overpayment from his annuity. The retiree went to court to protest. He claimed CSC did not give him a chance to question the deduction, and he pointed to a law that permits waiver of payments to the retirement fund if the person getting the overpayment is not at fault.

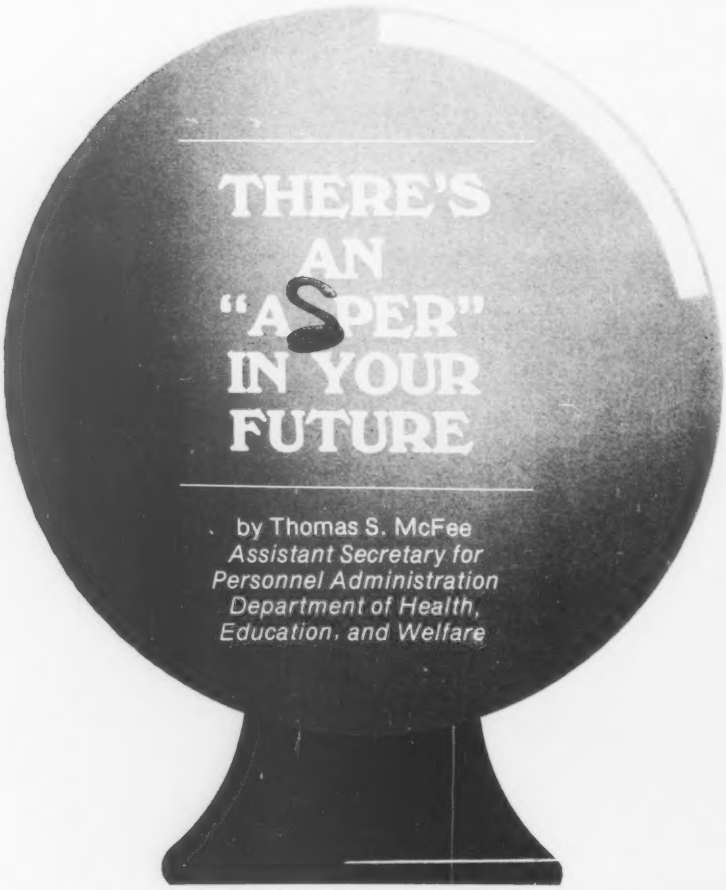
The judge agreed with the retiree and ruled that CSC, if it overpays an annuity or neglects to deduct health and life insurance premiums, cannot recover the money paid out without first giving the affected retiree a chance to request a waiver of repayment.

As a result, in the event of any future annuity overpayments, CSC will:

1. Notify the retiree of the proposed collection, and describe how the retiree may challenge the collection, and what may happen as a result of the challenge.
2. Reconsider, after the retiree has a chance to respond, whether an overpayment actually occurred.
3. Hold a hearing whenever a waiver of repayment is requested or whenever an overpayment is being reconsidered and there is a question about whether someone is telling the truth.
4. Allow a final appeal, once collection is begun, to the Appeals Review Board.

—Arthur Sackler

just like they told Cleopatra's personnel officer—



THERE'S AN "ASPER" IN YOUR FUTURE

by Thomas S. McFee
Assistant Secretary for Personnel Administration Department of Health, Education, and Welfare

ASPER — just another new bureaucratic acronym? Not really, for this one is unique in government, symbolizing the coming of age for personnel in the Federal service.

On January 25 CSC Chairman Campbell swore me in as the first Assistant Secretary for Personnel Administration (ASPER) for the Department of Health, Education, and Welfare. In performing this "historic and symbolic act," the Chairman said the event "is unusually important because it marks the first time in the Federal service that the civilian personnel function has officially assumed its appropriate rank—an upgrading I have long advocated, and one that is long past due."

Not only was it a great day for me and my family, it was also a great day for Federal personnelists. The appointment recognizes the key role of personnel management in achieving success in Federal programs. It is characteristic of a President committed to both an efficient and a compassionate government and a Secretary committed to making HEW a symbol of manageability in government. It is symptomatic of the administration's commitment to modernize the civil service system. It clearly and visibly shows that this Department considers its employees as important as funds.

Personnel: the New Heroes

But the appointment also shows that the Federal sector has recognized the need for a change already occurring in the private sector. A recent *Fortune* magazine article reported a growing trend toward naming senior vice presidents for personnel in major corporations. *Fortune* suggests that personnel is no longer considered a "one-way ticket to oblivion" but

may be the spawning ground for "new corporate heroes."

In the past, direction of HEW's personnel programs was relegated to a subordinate level within the administrative structure. In these protected, lower depths of the organization, removed from the top-level decision process, the personnel office was most often called upon to provide "reaction" services to implement the "people" aspects of program decisions.

My predecessors in HEW, though heading up personnel for the Department, were forced by organizational constraints to take a secondary role as advisors to top management, reacting to program decisions by finding ways to "work out" the personnel aspects. More often it was a case of dealing with problems that grew out of decisions made in a vacuum without considering the personnel impact at an early stage. In many other Federal agencies, I understand personnel offices exist today in just such an arena, most often creating adversary relationships and giving rise to management's perception of the personnel office as an impediment to progress.

...personnel is no longer a one-way ticket to oblivion

Much has been said lately regarding shortcomings of our Federal system. As a member of the Federal Personnel Management Project task force, I became painfully aware of the need for change in numerous areas where personnel "red tape" was holding management captive to the demands of an outdated system. I believe, however, that all the problems of the past were not entirely the fault of the system. Even with the most sweeping changes, the new system cannot succeed in vastly improving personnel in the agencies unless the method of carrying out personnel programs is carefully examined and overhauled. Only then will a modern approach to personnel stand a chance.

HEW's "Marble Cake" Mix Presents Special Problems

For those of you not familiar with HEW, perhaps a brief recap of our "situation" would be helpful. HEW is a "marble cake" of organizational structures and complex, heterogenous programs and policy endeavors, encompassing some 384 separate programs. We deal daily with the most complex issues affecting our society. In an agency where talk of both Motherhood and Apple Pie become controversial social issues, HEW employees are pushed to perform at levels unheard of in some agencies. It is not surprising, therefore, that the Department has been fraught with huge management problems in its 24-year history.

In the first days of the present administration, when Secretary Califano was beginning to develop his plans for overhauling the Department, he saw the need to regard our organizations and people as more than boxes and numbers on new organization charts. Among his first reorganization initiatives was a move to "simplify and strengthen the departmental management structure."

The major focus of this action was a restructuring of the Department's staff management. A new Assistant Secretary for Management and Budget was established "to act as the full counterpart of the Director of the Office of Management and Budget," and an Assistant Secretary for Personnel Administration, was established "to give vigorous leadership to the recruitment, development, and utilization of HEW's 145,000 employees." In terms of a counterpart comparison, it mirrors at the departmental level the functions of the proposed Office of Personnel Management and the Merit Systems Protection Board that would replace the current CSC.

In addition to the full range of personnel management and administration functions, the ASPER is responsible for HEW's equal opportunity program and a central payroll system. A special feature is an office reporting directly to the ASPER that functions as an ombudsman to look into instances of alleged violations of merit or standards of conduct by HEW officials.

Simulated Change

In anticipation that the President's reorganization plan would be approved, the Secretary set up "test beds" to simulate and observe features of the new personnel system proposals and their impact on the Department. One such test involves projections on managing the incentive pay bonus provisions of the new Senior Executive Service. We also will be experimenting with other elements of the proposed SES, aspects of special emphasis programs, and a probationary period for supervisors.

In working with Secretary Califano since his apointment, I saw the need to enhance the effectiveness of personnel operations throughout our 58 servicing personnel offices. Thus a high priority is to provide clear and full direction to heads of personnel servicing activities. Clear and complete direction of technical personnel matters will flow from the ASPER directly to heads of staff and servicing personnel activities, rather than following organizational lines established for program management control. In this way, standards and guidelines for perform-

ance, training, career assignments, and technical advice and assistance in personnel matters can be consistently applied throughout the Department.

We are focusing particular attention on improving managerial and supervisory performance in personnel management and EEO, and on streamlining the support of our personnel offices. To this end, we will evaluate existing policies and operation to make them consistent with the best in personnel practice.

Career Program for Personnelists

Further, we are taking a long hard look at our career planning activities. Our objective is a career program in which personnel officers and specialists throughout the Department will be regarded as a single group under the "functional supervision" of the ASPER for the purpose of professional management, training, and development. It will involve standards and guidelines for performance, training, and assignment of all employees involved in professional personnel functions.

Our efforts with respect to the personnel function have not gone unnoticed by the Civil Service Commission. The Commission recognized and supported our special need for relief in reorganization efforts and in improving HEW's position management and classification accuracy, while at the same time protecting Department employees. Early success in carrying out our reorganization has been achieved with the knowledge that our people would have important safeguards until we had completed the changes. Two of our efforts, a moratorium on demotions and a special placement program for finding equivalent jobs for our employees in overgraded positions, have since been approved for use by other Federal agencies facing similar problems. (*Editor's Note:* see p. 36 for more information on the moratorium.)

...an agency where both Motherhood and Apple Pie become controversial social issues

Programs such as these, whether current or proposed, and operating in a Department where innovation is a byword, make personnel in HEW a professional challenge. We've brought to personnel a tremendous sense of responsibility in a growing and changing field.

"We-They" Out, "Us" In

We are fostering an environment not of "we-they" views regarding personnel management, but of an "us" approach to personnel as a part of management throughout the Department. It's a "can-do" operation, demanding true professionalism from program managers and personnelists alike.

As ASPER, I am in perfect position to ensure that personnel receives equal billing with the program and mission-oriented considerations and needs of this Department. I have become part of management rather than the mere implementor of management decisions. This distinction is clear in HEW, and what's more, it's being understood and accepted.

I now have a mandate to improve the quality of services provided by personnelists of the Department. As ASPER, I have goals —objectives to pursue in improving the image of personnel throughout the Department, while at the same time striving to carry out the Secretary's desire for improved productivity and quality of services provided to the public.

In many respects, my goals (or "ASPERations," as some of my colleagues call them) are probably not unlike those of most forward-looking personnel directors. However, I'm confident that my chance for success in turning goals into realities is far greater now that I sit as an equal with the other top HEW officials.

These are great times, exciting times, with challenges not possible or even thinkable just a few years ago.

CSJ

PERSONNEL POLICIES AND STANDARDS

Where Are Standards?

CSC's Standards Division issues occupational standards that provide the framework for the personnel system of the competitive Federal service. Those standards directly affect applicants for most Federal jobs and the pay and careers of over 1.3 million General Schedule and one-half million Federal Wage System employees in about 1,000 different jobs.

All Federal managers, supervisors, and employees have a vital role, as well as a legitimate concern, in the development of standards that are accurate and fair to all. Good standards cannot be produced without their cooperation and participation. However, most know little about the process for developing standards and what their role in it should be. We are presenting this article, and four others that will appear in future issues, to provide that information.

In this first article we will describe the functions of the Standards Division and discuss how occupations are selected for study. Later articles will discuss the factfinding process; preparation of draft standards for review by agencies, unions, and others; and how comments are analyzed and final standards prepared.

Functions and Organization of the Standards Division

The Commission has given the Standards Division responsibility for developing and issuing both classification and qualification criteria. These two functions were combined in the 1950's to ensure that both would be based on a comprehensive analysis of the work of an occupation and would be consistent with each other. We use the broad term "occupational standards" to refer to all the Division's products, including:

- Series definitions, which identify the many different kinds of work performed by General Schedule and Federal Wage System employees in the Federal Government and relate each kind of work to the appropriate occupational group or job family.
- General Schedule classification standards and Federal Wage System job grading standards, which agencies must use in titling and grading their jobs.
- Qualification standards that candidates for General Schedule positions must meet, or qualification guides that provide the basis for developing local qualification standards for Federal Wage System jobs.

The Standards Division currently is organized into a Trades and Labor Occupations Section (which produces Federal Wage System job grading standards and qualification guides); four white-collar Occupational Sections (which produce General Schedule classification and qualification standards); a Methods Development Section; and a Salary Survey Support Office (which is concerned with the job analysis phase of the salary comparability process). There are usually 35 to 40 occupational specialists working on standards development in the Occupational Sections.

These occupational specialists are carefully selected for this kind of work, with special emphasis on their ability to:

—Gather facts from a variety of sources and communicate effectively with people at all organizational levels.

—Analyze a large mass of occupational information and sort out those things important in defining the nature and level of work performed as well as the knowledge, skills, and abilities required.

—Determine how the work fits into the overall occupational structure.

—Write the standards in a concise, precise, and understandable manner.

General Nature and Scope of Occupational Studies

Typically, one occupational specialist studies a single occupation to develop the series definition and either the classification and qualification standards or the job grading standard and qualification guide. However, not all studies follow that pattern. Sometimes it is appropriate to cover two or more closely related occupations or a function that occurs across occupational lines (e.g., supervision). In other cases, to meet special needs, a study is limited to the series definition and either the classification/job grading standard or the qualification standard/guide.

During the course of the study, the occupational specialist obtains detailed information—both facts and informed judgments of experts in the occupation—about the work, how it is organized and assigned, how it is performed, and what qualifications are re-

quired. This information is carefully analyzed to determine the significant factors distinguishing kinds and levels of work performed. The analysis also identifies the critical knowledge, skills, and abilities needed to perform the work and how they may be demonstrated and measured.

Findings and conclusions are issued in the form of draft standards for review and comment by agencies, unions, and other interested parties. This critical review of draft standards is a vital part of the process. The comments received are carefully reviewed and appropriate corrections or clarifications are made so that the final standards issued are accurate and can be applied consistently. These major phases of the occupational study, only briefly summarized here, will be described more fully in subsequent articles.

For typical studies, the standards development process requires 6–12 staff months on the part of the occupational specialist (with especially broad or complex studies requiring longer). Substantial additional time is spent by agency managers and employees, unions, and other interested groups or technical experts in providing information and in reviewing and commenting on draft standards.

How Occupations Are Selected for Study

There are about 1,000 different General Schedule and Federal Wage System occupations defined in the *Handbook of Occupational Groups and Series of Classes* and the *Handbook of Blue-Collar Occupational Families and Series*. The exact number varies as new occupations evolve and traditional occupations merge with one another or fade away. Since there are too many occupations for each to be studied within a reasonable cycle, we have to focus our efforts on a limited number of occupations. To decide where best to put this focus, we need feedback from those who use or are affected by our standards.

We get this feedback in many forms. The most systematic is through responses to an annual bulletin asking agencies to report their most urgent needs for new or revised standards. We also get recommendations from unions, and frequently from professional, technical, or academic associations and public interest groups. Other sources of feedback include information reported by CSC bureau and offices, congressional inquiries, court cases or appeals, and letters from employees or applicants.

These sources identify needs of varying intensity and impact in more occupations than it is feasible to study. Therefore we have established point ranking criteria to determine the priority of each of the occupations recommended for study. In planning each year's standards development program, we group the proposed studies into high, medium, and low priority categories based on the total points assigned under the following factors:

—How well does the study serve the needs of the total standards program?

—How extensive and intensive is interest in the study?

—How many employees are there in the occupation?

—How many agencies are affected by the standards?

—How much has the occupation changed since existing standards were issued?

—How would personnel management in agencies be improved?

Some additional judgments must be made in scheduling occupational studies. As examples:

☐ A high-priority study may need to be deferred until changing functions or organizational structures stabilize enough so that we can get accurate information on the work performed in the occupation.

☐ A lower-priority study may be scheduled first because it fits the qualifications of the occupational specialist available for assignment, or a complex high-priority study may be delayed until a particularly well-qualified specialist is available.

☐ Or a low-priority study may be scheduled along with a high-priority study because the two occupations are closely interrelated.

These kinds of judgments, when combined with a systematic method for evaluating needs, allow us to make the best use of the available staff on studies that will contribute most to the overall personnel program.

—Paul A. Katz

INTERGOVERNMENTAL PERSPECTIVES

Reform: It's Sweeping the Country

"You're the top professionals in this field in the country, and we look to you now to provide solutions to develop effective managers who . . . are willing to be held accountable for meeting objectives and to devise career service programs dedicated to the public and responsive to new directions and goals."

The speaker: Vermont Gov. Richard A. Snelling.

Governor Snelling

The "top professionals" he was addressing: Nearly 100 key personnel officials representing governors, mayors, and county commissioners from coast to coast, together with a number of Federal agency representatives. They were in Washington on January 23d for a precedent-setting meeting to exchange ideas on personnel management reform.

The meeting tied in with President Carter's commitment to improve Government management, including reorganizing the Federal personnel system. It also built on his desire to involve State and local government officials in shaping his administration's policies.

In an unusually broad-based cooperative effort, the meeting was sponsored jointly by CSC and major public interest groups: National Governors' Association, U.S. Conference of Mayors, National League of Cities, National Conference of State Legislatures, National Association of Counties, International City Management Association, and the Council of State Governments. Purpose of the meeting was to let officials from all levels of government share information on such matters as personnel reorganization, equal employment opportunity, executive service, performance incentives and pay, and labor-management relations. Here are highlights of the meeting.

1. *State and local reform.* Wisconsin State Senator Paul Offner explained the recently completed major revisions of his State's civil service system. These restrict veteran preference, expand the applicant pool, establish the personnel department as a separate cabinet-level agency, create a new appeals board, and expand the group of unclassified top administrators. Offner emphasized a major theme of the meeting: the importance of reviewing other States' experiences in reform and adapting successful approaches.

According to Amelia Miclette, who chairs the Massachusetts Civil Service Commission. Massachusetts has improved its civil service system by updating classification plans (and training agency staff to maintain them), implementing a new performance appraisal system, and working to recodify civil service laws and revise personnel rules.

After outlining his city's history of civil service reform, Chicago Personnel Director Charles Pounian summarized the new municipal reform ordinance. The ordinance will give department heads more latitude in selecting and promoting employees, improve the grievance system, and revise veteran preference.

Thomas Roche, Personnel Director, New York City Civil Service Commission, highlighted major charter changes the city had recently made in personnel, including separating the city Civil Service Commission from the Personnel Department, delegating many personnel functions to agencies, and establishing a separate management service for the city's 2,000 managers and executives.

2. *Revision of Federal Merit System Standards.* The 38-year-old Standards were last revised in 1971. The current effort to update them would encourage employment of the disadvantaged and the handicapped through special recruiting efforts, limited competition, more specific affirmative action, larger lists of certified eligible applicants, and for the first time, noncompetitive appointments where competition is impractical.

On tap to discuss this were Sandra Biloon, Connecticut's Personnel Commissioner; Jack Mullins, South Carolina's Personnel Director; and William Danielson, Personnel Director of the Sacramento Civil Service Board; plus Norman Beckman, Director

of CSC's Bureau of Intergovernmental Personnel Programs.

The revised Standards would also broaden the exemption of policy positions from the merit system, increase the involvement of chief executives, simplify procedures for State and local merit system plans, and authorize temporary waiver of the Standards for experimental projects.

Reflecting many State and local government recommendations, proposed new Standards are now being circulated for comment.

3. *Federal reform initiatives.* This session featured discussion of recommendations for the Federal personnel system as submitted by the Federal Personnel Management Project task force. Howard Messner, Assistant Director of the Office of Management and Budget, CSC Vice Chairman Jule Sugarman, and CSC Executive Director Raymond Jacobson were featured speakers.

Governor Snelling spoke on the crisis in public management today. Snelling, chairman of the National Governors' Association Subcommittee on Management Improvement, said that the issues challenging public management are the same as those challenging society in general: the civil rights movement, the women's movement, public sector unionism, and "taxpayer revolt."

The merit system, "an honorable idea," has developed into "a patronage of insiders," he said. As a result, we must "return to the basic ideals which created the merit system in the first place. We need to overhaul our individual civil service systems."

Snelling recommended that recruiting be more innovative and aggressive, and selection procedures more objective. He stressed that vacancies should be filled more promptly, tenure and compensation be related more to performance, personnel management be more decentralized.

Chairman Campbell made the point that the climate for reform of civil service law and practice is "uniquely suitable." The dual need for better service and lower costs, the growth of public unions, and the obstacles posed by a system of rigid controls are all compelling reasons for reform, he said. Mentioning the initiative many States have taken in revamping their civil service systems, Campbell noted that they "are in many cases charting the direction in which I believe the Federal Government must move."

Group discussions on six reform priorities followed.

1. *Personnel management reorganization and delegation.* This session featured S. Howard Woodson, President of the New Jersey Civil Service Commission; Rudolph Livingston, Executive Director of the Colorado Department of Personnel; and Gerald Hinch, Deputy Director of CSC's Philadelphia region.

The dual theme of this session was decentralization of personnel functions and consolidation of personnel authorities. Woodson described how New Jersey eliminated overlapping authorities and conflicting responsibilities by establishing an Office of Personnel Management, while Livingston related Colorado's experience in delegating certain personnel functions (such as record keeping and hiring temporary employees) to line agencies.

2. *Management discretion in selection and EEO affirmative action.* Harold Webb, Director of the North Carolina Personnel Department, described North Carolina's strategies to recruit and retain minority workers, strategies that have resulted in a 7 percent increase in minority employment in the State. Joseph Lowell, Jr., CSC's Assistant Executive Director, explained the 5-year experimental Special Emphasis Employment Program scheduled to go into effect throughout the Federal Government on June 1. It provides for special hiring authorities that can be made available to Federal agencies where there is evidence that past hiring practices have had an exclusionary effect on women, minority groups, or the handicapped.

3. *Executive service: career and noncareer.* Discussion leaders were Wallace Kountze, Personnel Administrator, Massachusetts Division of Personnel Administration; John Mooney, Administrative Director, New York Department of Civil Service; and Sally Greenberg, Assistant Director, CSC's Bureau of Executive Personnel.

They described efforts of their respective jurisdictions to establish separate personnel systems for top-level executives. A Massachusetts proposal would establish a three-tiered management classification structure, with the top level having no tenure, no retreat rights, fewer appellate rights, good fringe benefits, and pay step increases based on performance. A proposed bill in New York would cover positions paying more than $25,000. Employees in these jobs would complete a 2-year probationary period, receive performance-based salaries, and be assigned with or without their consent. Under a Federal proposal for a Senior Executive Service, incentive pay would be based on performance evaluations.

4. *Incentive systems and pay.* Discussion leaders were Jacquel-Anne Chouinard, Commissioner, Vermont Department of Personnel; Edward Menges, Director of Employee Relations in Lakewood, Colo.; and Raymond Weissenborn, Chief of CSC's Pay Policy Division.

Chouinard described Vermont's established system of annual cost-of-living and merit-based in-

An afternoon session on incentive systems

creases: Distribution of recipients at each level of increase roughly approximates a bell-shaped curve, with set percentages established for each level of performance appraisal. In the new Lakewood system, merit increases are separate from cost-of-living increases. Weissenborn explained that a new Federal proposal for incentive pay is essentially based on the premise that step increases must be earned and not granted almost automatically as they are at present.

5. *Modification of veteran preference.* Discussion leaders were Conley Kennison, Personnel Director of the State of Florida; Laurence Sprecher, Director of the Oregon Executive Department; and CSC Commissioner Ersa Poston.

Oregon and Florida both revised their veteran preference provisions in 1977, and the Federal Government is now considering similar revisions. In general, the changes put a time limit on the use of veteran preference while giving additional preferential treatment to veterans with 30 percent or more disability.

6. *Labor-mangement relations.* Discussion leaders were Marty Morgenstern, Director of Employee Relations for the State of California; Herb Abshire, Personnel Director, Denver Career Service Authority; Lewis Taylor, Personnel Director, City of Philadelphia; and Anthony Ingrassia, Director of CSC's Office of Labor-Management Relations.

While Abshire, Taylor, and Morgenstern outlined the peculiarities of collective bargaining in their respective jurisdictions, Ingrassia discussed union reaction to the proposed Federal reorganization. He explained that under the new system, grievance arbitration would be extended to most statutory appeal procedures.

The meeting showed that civil service reform is quietly, but nevertheless persistently sweeping the country. "What this all adds up to," concluded Haynes Johnson in a report on the meeting and civil service reform in general in the Washington *Post* a few days later, "is the toughest look at the Federal work service in memory, along with specific proposals on how to reform it . . . this is a fight eminently worth waging, one that even might be won."

* * *

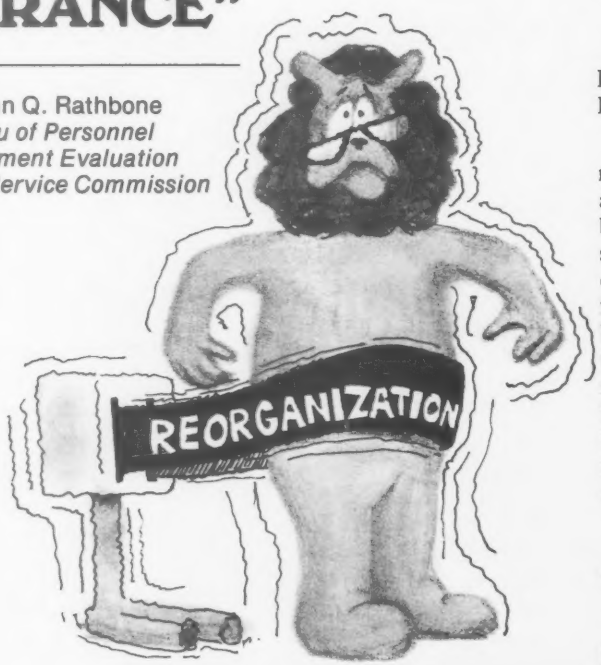
CSC will soon issue a report on the meeting, including a summary of proceedings and background papers on recent reform efforts in State and local government. The report will be available from the Bureau of Intergovernmental Personnel Programs, U.S. Civil Service Commission, Washington, D.C. 20415.

—Susan Tejada

painless solution to overgrading and reorganization problems

DEMOTION "INSURANCE"

by John Q. Rathbone
Bureau of Personnel Management Evaluation
U.S. Civil Service Commission



The Civil Service Commission recently approved new, temporary measures that can delay demotions of overgraded employees beyond the normal time limits. This temporary relief is now available to agencies with serious overgrading or reorganization problems.

THE CIVIL Service Commission normally can give agencies with serious overgrading problems demotion delays of up to 1 year. They are expected to use this time to correct the overgrading and, by placements and other means, to do their best to save the grades of employees who would be demoted otherwise. That's the normal situation.

In early 1976, however, the Department of Health, Education, and Welfare and other agencies were facing an unusual situation—serious overgrading on top of massive reorganization. HEW, confronted with both problems, asked for and was given special relief to deal with their extraordinary combination of problems. They developed strong corrective action plans and were given a 3-year demotion delay within which to carry them out. (*Editor's Note:* See p. 28 for HEW's reorganization story.)

Soon after that, a group of top agency personnel directors urged CSC to give other agencies with similar problems this same kind of consideration. Major Government reorganizations and a Government-wide overgrading rate of over 10 percent were more than the usual corrective process could properly handle. Special measures were needed. That's how this new demotion delay authority came about.

Opinions expressed in this article are those of the author and not necessarily those of the Civil Service Commission.

Is This a Government-Wide Downgrading Moratorium?

No, it isn't. CSC will consider requests for demotion delays, agency-by-agency. Approvals will be based on need and an agency's strong commitment to correct the overgrading. There is no legal basis for delaying demotions across the board—a moratorium just to protect employees. A demotion delay must be to correct overgrading. That's why each agency must make its case for serious overgrading or reorganization problems and then carry out plans to correct them.

What's Expected of Agencies?

CSC is not requiring elaborate paperwork justifications that problems exist. Instead, agency heads are asked for their written assurances that overgrading or reorganization problems are such that the usual corrective measures just won't work without disrupting their missions or reorganizations.

CSC is looking for results, not promises. Agencies must carry out aggressive corrective action and employee placement plans during the delay period. These plans must be approved by the Commission. Agencies will have to report periodically on the results of these plans—the plans' impact on correcting the overgrading and the plans' impact on agency affirmative action progress (more about EEO implications later). Continued use of the authority depends on good-faith performance and results.

What's Different?

This authority temporarily extends the length of time demotions can be delayed, covers downgrades due to error or RIF-related causes, and can suspend downgradings resulting from classification appeals. The normal procedures only cover overgrading due to error or to changes in standards, not appeals or RIF-related downgrades. The demotion delay can last up to December 31, 1979, unless Congress passes grade retention legislation before then. If that happens, the delay authority will end.

The authority also lets agencies avoid certain kinds of reductions in force. In some RIFs employees are separated from the payroll, in others they are not. If a RIF or reorganization will not cause employees to be separated but just moved around, this authority can be used to avoid RIF procedures and demotions. This can be done by detailing employees from their overgraded jobs to other jobs. Since no one is actually demoted, RIF procedures don't apply. But if a RIF or reorganization will result in employee losses, the delay will not apply to employees in competition with one another for retention. The demotions must occur to determine who stays and who goes.

Agencies can ask for extended details to avoid reductions in force where no one is let go as a result. These details can extend up to December 31, 1979 (normally, details can't exceed 240 days). During this time, the agency must try to place the detailed employees in grade-saving positions. Those not placed in jobs at their same grade by December 31, 1979, must be demoted under RIF procedures. In other words, extended details allow an agency to put off this kind of RIF until the end of the delay period. If they can place **everyone** at their same grade during the delay, a RIF will not have to occur; if they can't, the RIF must take place, beginning January 1, 1980.

EEO Implications

The Commission approved this authority on the understanding that a demotion delay would not interfere with an agency's affirmative action progress. CSC's demotion delay guidelines require an agency's commitment that placements and corrective actions will not slow down or set back the hiring, status, or advancement of minorities, women, and the handicapped. How an agency will go about ensuring this depends on its particular situation—the location and extent of overgrading and how placements, hiring and promotion restrictions, and delayed demotions will affect their EEO status and progress. There's no universal formula since every situation varies.

What It Means for Employees and Managers

Overgraded employees will save grades and pay, and their agencies will make every effort to place them at their grade levels during the delay period. But there are other implications as well.

During the delay period, a number of vacancies will have to be set aside for the placement of overgraded employees — hiring and promotion vacancies. The number of vacancies taken out of circulation depends on the number of overgraded employees to be placed and an agency's placement opportunities (turnover). This can't help but cause unhappiness for properly graded employees trying to advance or for managers trying to fill jobs. But these negative aspects may also have a beneficial impact on the classification system itself.

There are certain features of the classification system that actually encourage overgrading. For example, if a manager can raise the grades of subordinates, the manager's grade can also go up; if work can be made more complex (or made to appear so), that too can raise grades. The point is that these and other features of the system amount to *overgrading incentives,* and there are very few incentives for proper classification.

Our classification studies indicate that most overgrading is caused by conscious management decisions, not simple errors. The system's overgrading incentives may play a big part in some of these decisions to overgrade. The rigorous placement requirements of a demotion delay, however, could produce something the system currently lacks—a strong incentive not to overgrade.

If promotions and hiring have to slow down because overgraded employees get first shot at vacancies, overgrading starts to become something to avoid. And the overgenerous managers get caught right in the middle—between unhappy employees looking for advancement and their bosses' insistence on filling jobs with new blood. Suddenly, the beleaguered taxpayer has gained some allies.

Congress will soon consider grade retention legislation; a bill has already been reported out of committee. Like this demotion delay authority, grade retention legislation can be looked upon as just another levy on the taxpayers. But depending on how the legislation is administered, should it be enacted, it could just prove to be an incentive for the proper job grading the system so sorely needs.

Advance copies of the Guidelines for Agency Requests To Delay or Avoid Demotions were sent to directors of personnel by CSC Bulletin 273-14, dated December 30, 1977.

APPEALS DIGEST

These summaries of decisions give you a general picture of how cases are handled through the Federal Employee Appeals Authority. We suggest you seek the advice of your personnel office or legal officer (general counsel) if you need specific guidance on a case in which you may become involved.

Reduction in Force

A GS-12 Chemical Engineer, caught in a reduction in force, took the GS-11 position offered to him. He later found out that two vacant GS-12 Chemical Engineer positions had been filled by other displaced employees without as much retention standing as he had. Because he felt he should have been offered one of the GS-12 positions, he appealed to the Federal Employee Appeals Authority. The agency, while disputing his right to either of the positions, did admit that, in reductions in force, its practice was to fill vacant positions with qualified displaced employees according to their retention standing.

FEAA noted that an agency has the choice whether or not to fill vacancies during a reduction in force. However, if an agency *does* choose to fill vacancies, it must obey reduction-in-force procedures. Because the agency did fill the vacancies, and because it did so in order of retention standing, FEAA ruled that the only valid reason for denying this employee one of the vacancies would be if he lacked the qualifications for the position.

FEAA therefore asked the Commission's regional office if the employee was qualified for either of the positions, and the regional office said yes. Although the agency disputed this finding, the FEAA agreed with the regional office and thus ruled that the employee should have been offered one of the GS-12 positions granted to an employee with lower retention standing. On that basis, FEAA directed the agency to place the employee retroactively in a GS-12 position. (Decision No. NY03570168).

Acceptable Level of Competence

An employee was told that if his performance did not improve, he would not get his within-grade salary increase. During part of the period in which he was to show improvement, he was detailed to another office. When it came time for his within-grade increase and his performance was not judged sufficiently improved, the increase was withheld. The employee asked the agency to reconsider the decision; when the agency sustained the decision, he then appealed to FEAA.

FEAA found no evidence that the agency had considered the employee's performance during the time he had been detailed to the other office, and thus ruled the withholding of the within-grade increase had been done improperly.

FEAA also found there was no written record of two conversations that influenced the official who made the decision to sustain the withholding. The first conversation, between an official and the employee, was regarded as the employee's oral reply about the reasons why the withholding should be reconsidered; the second, between the official and the employee's supervisor, was part of the investigation of the case. Because the employee was entitled to written reports on these conversations, but had not gotten them, FEAA ruled the agency had not followed the proper procedures in reconsidering the case.

FEAA canceled the decision to withhold the employee's salary increase and the agency's decision to sustain that action. The case was sent back to the agency. (Decision No. DC531D70041.)

Adverse Action

A number of seasonal employees, hired for full-time duty during the summer, had their schedules cut first from 40 hours per week to 35, and then to 30. They appealed to FEAA.

Civil service regulations say that under certain conditions a reduction in the number of hours per week for part-time employees is an adverse action. These conditions are: The employees must have a regularily scheduled number of work hours, and the reduction must conflict with arrangements made when the employees were hired. Since the employees' notices of appointment stated they would be on full-

time duty during the summer, and since the reduction came in June, FEAA ruled that an adverse action had been taken against the employees. Because it had not been made according to adverse action procedural requirements, the action was reversed. (Decision No. NY752B70212.)

After an agency promoted a male employee, a female employee filed a sex discrimination complaint and said she should have gotten the job. The agency investigated and found that sex *had* been a factor in the promotion. The agency therefore decided to demote the male employee, saying that without the discrimination, he would not have been promoted.

The male employee then appealed his demotion to FEAA. In his appeal he challenged the finding of discrimination that had led to his demotion. The agency said that the discrimination decision could not be reviewed as a part of his demotion appeal. FEAA disagreed, however, saying that he was not a participant in the discrimination complaint proceedings, and he could not be considered bound by the outcome of a case in which his interests were not represented. FEAA then reviewed the evidence concerning the discrimination complaint and found that it failed to give a proper basis for the corrective actions taken, including the demotion. The agency's decision was reversed. (Decision No. DC752B70408.)

Suspension (30 days or less)

An employee claimed he could not comply with his agency's dress code because of his allergy. His agency then put him on sick leave for 3 weeks. He appealed to FEAA, saying that his agency had, in effect, suspended him.

FEAA ruled that the agency's action was a suspension because: (1) The employee neither asked nor agreed to take leave; (2) he had been ready, willing, and able to work at all times; (3) he would not have been a threat to himself or anyone else if he had worked; and (4) the leave was used for discipline rather than for illness. Because it was a suspension, and because the agency had not followed the correct procedures for suspending an employee, FEAA therefore reversed the action. (Decision No. DC752C70063.)

—Paul D. Mahoney

did you know?

Occupations

• About 20 percent of all Federal civilian employees are blue-collar workers; the rest are white-collar, postal, and technical workers.

Pay

• Nationwide, the average annual Federal salary in 1977 was $17,532 for white-collar workers and $14,331 for blue-collar workers.

Minorities and Women

• In November 1976, minorities accounted for 21.3 percent of all full-time Federal employees, and women for 30.1 percent. In white-collar (General Schedule) occupations, minorities accounted for 18.0 percent and women for 43.0 percent.

EEO Discrimination Complaints

• In FY 1976, 40,047 Federal employees and applicants for employment were counseled concerning alleged discrimination. Counseling brought about corrective action in 12,898 cases (32.2 percent), while 7,018 formal complaints were filed after counseling. Of the 7,018 complaints, 51.6 percent alleged discrimination on the basis of race or color; 18.9 percent on the basis of sex (female); 6.3 percent, sex (male); 11.4 percent, age; 9.9 percent, national origin; and 3.9 percent, religion. Promotions gave rise to 35.1 percent of the discrimination complaints filed; separations, 8.9 percent; appointments to jobs, 4.7 percent; suspensions, 4.6 percent; reassignments, 4.0 percent; and other matters gave rise to 44.4 percent.

Federal Employee Appeals Authority

• In FY 1977, the Federal Employee Appeals Authority (FEAA) received 9,583 employee appeals of adverse personnel actions taken by Federal agencies, and 2,587 employee complaints of discrimination.

• About 50 percent of FEAA's work is deciding employee appeals of adverse actions (5,892 appellants in FY 1977). Thirty-eight percent of all appealable adverse actions taken are appealed to FEAA. A relatively high percentage of cases (26 percent in FY 1977) are rejected because they were not filed on time or because they are not within the jurisdiction of CSC regulation. Of those cases adjudicated in FY 1977, agency actions were affirmed in 75 percent of the cases. Agency actions were reversed in 25 percent of the cases; of these, 15 percent were reversed for procedural defects, and 10 percent on the merits of the case.

• Other work of the FEAA includes deciding reduction-in-force appeals (1,739 appellants in FY 1977), and other employee appeals such as disability retirement, reemployment rights, and short suspensions (1,952 appellants in FY 1977).

The New and the Novel

The following is a list of publications that may interest you.

Current IPA Projects for Improved State and Local Management. Describes 162 IPA projects in such areas as labor-management relations; productivity; classification, pay, and benefits; selection; and general personnel management improvement. Also gives name, address, and telephone number of the person to contact for more information on each project. Available from U.S. Civil Service Commission, BIPP/PMIS, 1900 E St., NW., Washington, D.C. 20415

Executive Effectiveness and Organizational Team Building. Describes the Team Building technique for improving organizational effectiveness, giving basic concepts, case histories, and potential problems. Designed for executives, senior managers, and agency staffs responsible for executive development. (006-000-01036-9) $1.60

Executive Personnel in the Federal Service, November 1977. An annual data report on executive manpower structure, staffing dynamics, and recent developments in executive personnel management. Also reports on characteristics of Federal executives: sex and minority status, distribution by agency, means of entry into Federal service. Of interest to personnel officers; program managers. (006-000-01043-1)

FED FACTS 19 on How Your GS Job Is Classified. Explains how jobs in the GS pay schedule are graded, discusses the new Factor Evaluation System of classification, and tells what to do if you think your position has not been correctly classified. For all Federal employees with GS jobs. (006-000-01042-3) $.50

Guidelines for Special Emphasis Programs. Outlines the major duties and qualifications necessary for Federal Women's and Spanish-Speaking Program Coordinators. Written for coordinators within the Department of Transportation, but helpful for coordinators Government-wide. Available from Wanda Reyna, FWPC, Office of the Secretary of Transportation, Washington, D.C. 20590

The Intergovernmental Personnel Act: Improving Public Service Delivery. A 20-page illustrated booklet with general information on IPA grants, technical assistance, merit standards, and intergovernmental assignment programs. Available from the U.S. Civil Service Commission, BIPP/PMIS, 1900 E St., NW., Washington, D.C. 20415

Pay Structure of the Federal Civil Service, March 31, 1977. Presents various salary statistics of Federal civilian employment by major geographic area, pay system, and agency. (006-000-01045-8)

Women in America: The Struggle for Equality. An annotated bibliography containing publications by the Commission on Civil Rights, Civil Service Commission, and the Women's Bureau, as well as books and studies by individuals. Available from Library, Room 1033, General Services Administration, Washington, D.C. 20405

Workers of Spanish Origin: A Chartbook. Designed as a general resource for labor force statistics about Hispanic Americans. Shows information on Hispanic labor force participation, employment and unemployment, work experience, earnings, income, and poverty; depicts characteristics by age, sex, family status, and years of school completed. Available in English (029-001-02134-8) and Spanish (029-001-02135-6) $2.40

Unless otherwise noted, these publications are available from U.S. Government Printing Office, Public Documents Department, Washington, D.C. 20402. GPO stock numbers and single issue prices follow the above listings. When this information is not shown, the publication had not been printed at *Journal* presstime, so the stock number and price were not known. Once GPO prints the publication, that information can be obtained by calling (202) 783-3238. Prices for bulk orders of the publications can be obtained at that same number.

A more thorough listing of new publications in the field of personnel administration is the monthly periodical, *Personnel Literature*. It lists books, magazine and journal articles, and other material by subject. A year's subscription costs $12.25 and can be ordered from GPO at the above address.

To receive a free monthly listing of all Bureau of Labor Statistics publications, write to: Bureau of Labor Statistics, U.S. Department of Labor, Room 1539, GAO Bldg., Washington, D.C. 20212.

—Howard Stevens

(Continued from inside front cover)

enough merit in the merit system. There is inadequate motivation because we have too few rewards for excellence and too few penalties for unsatisfactory work.

We must encourage better performance in ways that are used widely and effectively in private industry. Top Federal workers are ready and willing to respond to the risks and rewards of competitive life, and public service will be healthier when they have that chance.

We must strike a new balance that preserves the merit principle while giving managers the incentive and the authority to manage.

We propose to do this, first, by creating a Senior Executive Service, whose 9,200 members will be available to serve wherever in the Government they are most needed. They will be eligible for annual bonuses for superior performance, and can be moved from the Senior Executive Service back to their previous civil service status for poor performance.

I will also ask Congress to authorize the use of incentive pay for the 72,000 Federal managers and supervisors in grades GS-13 through GS-15, which is a far more attractive and sensible acknowledgment of merit than the silver water carafes and thicker carpets that pass for recognition today. They will no longer receive automatic "step" increases in pay without regard to performance.

Another proposal which will improve managerial excellence is a speedier and fairer disciplinary system, which will create a climate in which managers may discharge nonperforming employees—using due process—with reasonable assurance that their judgment, if valid, will prevail. At the same time, employees will receive a more rapid hearing for their grievances.

The procedures that exist to protect employee rights are absolutely essential. But employee appeals must now go through the Civil Service Commission, which has a built-in conflict of interest by serving simultaneously as rulemaker, prosecutor, judge, and employee advocate.

So, my second proposition is: Employees still have too little protection for their rights.

I propose to divide the present Civil Service Commission into two bodies—an Office of Personnel Management to improve the productivity and performance of Federal workers, and a Merit Systems Protection Board to stand watch against merit abuses and resolve the appeals brought by employees.

I will also propose an Office of Special Counsel to investigate merit violations and protect "whistleblowers" who expose gross management errors and abuses.

Finally, I propose the creation of a Federal Labor Relations Authority to remedy unfair labor practices within the Government much as the National Labor Relations Board does in the private sector. In addition, we will continue to work with Congress and Federal employees to develop legislation which, while recognizing the special requirements of the Federal Government, will improve Federal labor practices.

One other serious defect remains. That is the network of rules governing hiring, staffing, and tenure. We should let each agency do its own hiring, rather than the Civil Service Commission, which now may take as long as 6 to 8 months to fill important positions.

Current rules often impede the hiring of qualified women, minorities, and the handicapped by giving veterans a lifetime advantage under civil service laws—far beyond the benefits provided under other veterans programs which are designed to ease the readjustment from military to civilian life. Therefore, we propose to reduce the preferential advantage given to nondisabled veterans to a 10-year period, and to end this preference altogether for senior military officers who retire with pension benefits after a full military career. At the same time, we will strengthen provisions to ensure that disabled veterans and those who served during and since Vietnam are fully protected under our civil service laws.

These civil service reforms are the heart of our Government reorganization effort.

Our proposals will mean less job security for incompetent Federal employees, but conscientious civil servants will benefit from a change that recognizes and rewards good performance.

Our proposals deal with the major changes that must now be made. By enacting them we will make employment in the civil service more challenging, more productive, and a more prosperous and gratifying career.

But the greatest beneficiaries will be the American people, who can expect to see a more competent and efficient and responsive Government—one that is worthy of the people it was created to serve.

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